

WAA News

Volume 33 Issue 3 • March 2012 • Connecting the Rental Community Right Next Door and Across the State





2012 Roster of Events

(for a full calendar of events go to: http://www.waaonline.org)

BOARD MEETING

Saturday, April 21 • 10:00 a.m. - 4:00 p.m. (Lunch served at Noon) Robbins Restaurant, Oshkosh

Lunch choices are: Robbins soup, salad, and baked potato bar, a hamburger or cheeseburger, or a chicken salad croissant. Sandwiches are served with your choice of french fries or fruit.

Cost is \$12 and includes coffee, tea, milk, or soda.

Please RSVP to Kristy at kristy@waaonline.org or 920-230-9221

with your lunch selection no later than Monday, April 16th.

WRHLC/WAA Legislative Day

Wednesday, March 21 • State Capitol, Madison

10:30 a.m. – Convene in State Capitol (Program in Development)/Office Visits
3:00 p.m. – Memorial Ceremony for Mike Mokler (Dedication and Presentations)-State Capitol Rotunda
4:30 – 6:30 p.m. – Annual Legislative Reception & Awards Presentation-Top of the Park,

Best Western Inn on the Park

2012 WAA Conference & Tradeshow "WAA: Extra, Extra-Protect Yourself"

October 12-14 at the Plaza Hotel & Suites, Wausau.

Rooms can be reserved by contacting the Plaza at 800-754-9728 under room block #2360 at a low rate of \$72/night for tower or courtyard rooms. Room block open until September 12th.

The conference committee is working hard to make this a great conference filled with lots of education, networking, & fun. The committee would also like everyone, individual members and all locals, to consider donating to our silent auction. Any new or like new item, themed basket, or gift cards are welcomed. Please contact Kristy at the WAA office if you would like to make a donation. All proceeds go to a great cause each year, as determined by the WAA Board. We hope you will help support the silent auction and will join us in October!

PLEASE NOTE: The weekly Legislative Update from Gary Goyke, Legislative Liaison, is no longer published in the newsletter. It is sent to each local President and all updates can be viewed by registered members on the WAA website. Go to www.waaonline.org and click "Register next to "No account yet?" just below the login boxes in the left pane of the home page and follow the steps.

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Names in Rold: Form



President's Letter



Wow! What an experience at the Wisconsin Police Chief's Association Conference at the Kalahari in the Dells. Here's my story!!!

I spoke with my Chief here in Janesville about speaking to the Chiefs at their conference the end of January to let them know what WAA could do to help them with their Landlord/Tenant issues. The result of that conversation was two 3-hour long classes that two officers from the JPD and I conducted. I now have a list of 21 chiefs and officers that want help in some sort of

training, either for landlords or officers from their own departments.

This is a large open door for WAA to reach these communities. This can build a relationship with them, plus we could see new locals starting with training for Landlords. I received so many positive comments; it was exciting!! With this effort, I would be surprised if we were not invited back next year, but instead of just doing an introduction this time we might be able to do some training. I believe teaching the Law and the Landlord would be a good way to start.

I will be the contact for further work to be done and have agreed to be the one to travel to help do the training. Some of that may be in-service for local police departments and some may be for Landlords starting a new local. All in all I was very pleased with the outcome, but the real work starts now.

WAA President

Dale ? Kids

Dale Hicks



Officer Chad Sullivan & Rod Hirsch of the Janesville Police Dept.



Class attendees



WAA President at the WPCA Conference

Screening



WISCONSIN'S FOURTH QUARTER 2011 INSIGHT INTO MULTIFAMILY APPLICANT RISK INDEX By: Jay Harris, Vice President of Business Services, CoreLogic SafeRent

The **Multifamily Applicant Risk Index (MAR Index)** is published quarterly by CoreLogic[®] SafeRent[®] and is based exclusively on applicant traffic credit quality scores from their statistical screening lease model (Registry ScorePLUS[®]). This quarterly report provides property owners and managers with a benchmark with which to compare their portfolio's performance. The fourth quarter national MAR Index, including studios, one-, two-, three- and four-bedroom units, was 101. The fourth quarter MAR Index value increased three points from the previous two years showing a higher renter credit quality through the end of 2011.

Here is how Wisconsin performed in the fourth quarter compared to last year:

- Milwaukee-Waukesha-West Allis, WI: 4Q11 MAR Index = 112
- Milwaukee-Waukesha-West Allis, WI: 4Q10 MAR Index = 107
- Madison, WI: 4Q11 MAR Index = 104
- Madison, WI: 4Q10 MAR Index = 105
- Minneapolis-St. Paul-Bloomington, MN-WI: 4Q11 MAR Index = 106
- Minneapolis-St. Paul-Bloomington, MN-WI: 4Q10 MAR Index = 105

The MAR Index is derived from the statistical scoring model from CoreLogic SafeRent, which is the multifamily industry's only screening model that is both empirically derived and statistically validated. With this unique applicant risk index, property managers and owners are able to compare their applicant credit quality trends with that of the average MAR Index trends. This comparison indicates whether their portfolio is performing above, below or at market levels with respect to attracting and securing applicants with higher credit quality and an increased likelihood of fulfilling their lease obligations.

The Multifamily Applicant Risk Index (MAR Index) provides trends of national and regional traffic credit quality scores whereby a lower index value indicates an applicant pool with a higher risk of not fulfilling lease obligations. A MAR Index value of 100 indicates that market conditions are equal to the national mean for the index's base period of 2004. A MAR Index value greater than 100 indicates market conditions with reduced average risk of default relative to the index's base period mean. A value less than 100 indicates market conditions with increased average risk of default relative to the index's base period mean.

The screening model was developed from historical resident lease performance data to specifically evaluate the potential risk of a resident's future lease performance. The model generates scores for each applicant indicating the relative risk of the applicant not fulfilling lease obligations.

Data is also available at the property and sub-market level with our analytics tools. For more information, visit saferent.com.

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Taxes

Don't Overlook Tax Break of Mortgage Points

By Kay Bell • Bankrate.com

If you have ever taken out a mortgage, you probably already know of the tax advantage provided by deducting your mortgage interest payments.

But many homeowners overlook another tax break available for points paid to get a home loan. In some cases, points also could shave tax bills for folks who refinanced or got an equity loan or line of credit.

Each point is 1 percent of the loan amount. Lenders charge points as a way to make a profit, and borrowers generally pay points in exchange for lower mortgage rates.

If you paid points, the amount should be listed on the 1098 statement from your lender. This document also notes how much mortgage interest you paid. Both of these deductible amounts go on line 10 of Schedule A. (If the points aren't on that statement, but show up elsewhere -- for example, on your closing documents -- enter them on line 12. Check the Schedule A instructions for details.)

On a conventional mortgage (usually a fixed-rate, 30-year loan that is not insured by a federal agency), points may be paid by either buyer or seller or split between them. Even if the seller pays all the points, the buyer gets the deduction. Exactly how much of one and when depends on the loan circumstances.

Loan points are fully deductible in the year paid if they meet all of these requirements:

- The loan is secured by your main home, the house you live in most of the time.
- Paying points is an established business practice in your area.
- The points are generally what is charged in your region.
- You use the cash method of accounting: You report income in the year you receive it and deduct expenses in the year you pay them. Most individuals do this.
- The points are not paid in place of amounts ordinarily stated separately on the settlement sheet. That is, you cannot pay points in exchange for lower or no appraisal fees, inspection fees, title fees, attorney fees and property taxes.
- The funds you come up with at or before closing, plus any points the seller pays, must be at least as much as the points charged. The money does not have to apply just to the points. It can include a down payment, escrow deposit or earnest money. But it all must come to at least as much as the points. For example, you took out a \$100,000

mortgage and were charged \$1,000 (one point). However, your lender only required a \$750 down payment. In this case, you cannot deduct the full \$1,000 points payment, only \$750 of it. The remaining \$250 must be deducted over the life of the loan. And you cannot have borrowed any of the money you paid at closing from your lender or mortgage broker.

- The loan is used to buy or build your main home.
- The points are computed as a percentage of your mortgage's principal amount.
- The amount is clearly shown on the settlement statement as points charged for the mortgage. The points may be shown as paid from either buyer or seller funds.

These point deductibility rules apply to loan costs associated with your primary residence. When the loan is tied to a property that is not your main home, the points cannot be fully deducted in the year the loan was made. Points paid on a loan secured by a second home or vacation residence, regardless of how the cash is used, must be amortized over the life of th Refi points

While points-deductibility definitely is a tax-saving option buyers should explore any time they get a loan to buy another home, a taxpayer who simply refinances also might be eligible for this tax break.

In most refinancing cases, a homeowner must deduct any loan points over the life of the loan. But if part of the refinanced mortgage proceeds are used to improve the main home and tests 1 through 6 listed previously are met, the portion of points attributable to the improvement can be deducted in the year paid. Any points related to the refinanced existing balance, however, are not eligible for immediate tax-deduction purposes; they still must be amortized over the life of the refinanced loan. These points-deductibility rules also apply to home equity loans or home equity lines of credit.

If, however, you use your refi to get some extra cash or take out a home equity loan or line of credit and then use the money for something else, such as paying college costs or buying a car, you still can deduct the points, but not all at once. The points deductions must be parceled out over the equity loan's term.

To figure the annual deduction amount, divide the total points paid by the number of payments to be made over the life of the loan. You should be able to get this information from your lender. For example, a homeowner who paid \$1,500 in points on a 30-year second mortgage (360 monthly payments) could deduct \$4.17 per payment, or a total of \$50 for 12 payments, for each tax year of the loan.

Serial Financing

Amortizing also comes into play for serial refinancers -- homeowners

cont'd on page 7

Taxes - cont'd / Landlord Tips



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who take repeated advantage of low mortgage rates to get better and better home loans. This was a common practice at the housing boom's height, but some borrowers still redo their loans more than once to get better interest rates or a different type of loan product. The good news for most homeowners is that they don't lose that portion of the first refi's points that they've been amortizing.

The IRS says you can deduct any remaining balance of the points in the year the mortgage ends, either due to a prepayment, refinancing, foreclosure or similar event. Say, for example, our hypothetical refinancer got his loan three years ago. It was a 30-year loan, so he deducted \$50 in points on his last three tax returns. Now he decides to refinance again because rates are even lower. Since the first refi is paid off via the second refi, he probably can deduct the remaining \$1,350 in points on his next tax return.

But, this immediate, and often large, points tax break doesn't apply in every case. If, for instance, the second refinancing is with the same lender, the IRS says you cannot immediately deduct any remaining balance of your first refi's points. Instead, the remaining points balance from the first refi is added to your new refinance amount. You then continue to deduct them, along with any points from the second refi, for the life of your new loan.

So while points paid on refinanced loans usually don't provide immediate tax breaks, even when amortized they can save you some tax dollars.

If you want the technical scoop straight from Uncle Sam, check out Internal Revenue Service Publication 530, Tax Information for Homeowners, and Publication 936, Home Mortgage Interest Deduction.

Should an Eviction Always Disqualify an Applicant?

The following article, shared by a colleague offers a different view-point than the typical landlording advice, and may even stir a bit of controversy. Most landlords answer the question serving as the title of this article with an empathetic "YES!" There is no way you should ever rent to a resident who has been evicted. Those landlords have a legitimate case and point.

However, if you rent to low-income (even middle or upper income) or marginal residents, you may run into applicants who have been evicted. It's just a fact of life - the lower the income and marginal residents have a higher incidence of evictions than do renters who earn \$100,000 a year.

There can be numerous reasons for those evictions, some that will absolutely disqualify them from renting from you, and some that just mean they had some hard luck and probably will not be evicted again.

In a slow rental market (one where it's hard to find residents), you might want to consider renting to applicants who have been evicted. If you make it clear that an eviction will not absolutely disqualify them from renting from you, you may find out that some applicants were in a situation that simply made it impossible to pay the rent or that they had a roommate or spouse who created the problem that precipitated the eviction.

Ask on the screening form or rental application for the reason for a past eviction and you may get an explanation that will satisfy you, a reason that you will not disqualify them for. Of course, you will verify the information they give you.

Be extremely careful, though. You need to satisfy yourself that the applicant is telling you the truth without embellishment and without

forgetting to tell you part of the story. Sometimes people really do learn lessons.

Other times they haven't changed a bit, but have gotten really good at telling sob stories to make a landlord's heart bleed. What follows are some possibly legitimate reasons why a resident would not have been able to pay his or her rent and was evicted. You decide how much credence to give them. Bad residents always have an excuse, it is our job to decide if the excuse is legitimate.

- Loss of job, layoff
- Rent increases, Loss of housing subsidy (look at this one carefully, people don't lose them for no reason)
- Loss of other income subsidy, such as child support
- Medical, transportation or other crisis
- High winter utility bills (then they would have to satisfy you that would not be a problem now)
- Money stolen
- Budgeting difficulties (how has the situation that caused it changed?)
- Loss of roommate
- Poor communication with landlord, case manager, etc.

Here are some reasons for eviction that would make you never, ever want to rent to an applicant:

- Damage to rental property
- Violent crimes
- Drug dealing
- Prostitution
- Child molestation
- Perpetrator of domestic violence
- Disturbance of neighbors
- Drug addicts not in a rehab program
- Keeping a filthy rental
- Gang members
- Left children unsupervised

A rule of thumb is that you want a satisfactory landlord reference between their eviction and their renting from you to show with actual, concrete evidence, rather than just their word for it.

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Top Ten Legal Mistakes That Can Sink Your Landlord Business

Know the laws in your state before you rent out space.

Being a successful landlord requires lots of practical know-how, business moxie, and familiarity with the market. Until about 30 years ago, the law didn't have much to do with it. Now, however, federal law and most states closely regulate nearly every aspect of your business. Not knowing the rules can land you in lots of legal hot water.

1. Using Generic or Outdated Lease Forms

Most landlords know it's important to have a written lease or rental agreement. But using the wrong form can get you into trouble. So-called "standard" forms that are sold everywhere probably aren't compliant with the laws in your state. If you use a stationery store lease that short-cuts tenants' rights, you could find yourself at the losing end of a lawsuit because of an unenforceable lease clause. On the other hand, some standard forms actually impose greater obligations and restrictions on you than your state's law does! (My favorite requires landlords to return security deposits within ten days, which no state requires.)

2. Asking the Wrong Questions During Applicant Screening

Thorough tenant screening is the most important part of your business -- if you choose poorly, you're in for nothing but headaches, with tenants who don't pay the rent, trash your place, or worse. But there are limits to what you can ask. Many landlords don't realize that even well-meaning questions (such as asking a disabled person about his disability or asking if a couple is married) can be illegal forms of discrimination. If the applicant doesn't get the rental, even though your rejection had nothing to do with the offending question, that disappointed tenant has ammunition for a fair housing complaint (which fair housing watch-dog groups are eager to pursue).

3. Setting Policies that Discriminate Against Families

Although it's been illegal to discriminate against families for over 20 years, many owners' practices are far from family-friendly -- and are downright illegal. Excluding families because you feel children cause more wear and tear and you prefer a "mature, quiet" environment is illegal. And while you're permitted to limit the number of residents in a unit (in most situations, two occupants per bedroom), you may not apply that standard differently when dealing with families. The cost of this mistake can be another trip to your lawyer's office, to deal with a fair housing complaint.

4. Making Promises That You Don't Deliver On

It's fine to be enthusiastic about the benefits of your property, and it's necessary to do so in competitive markets, but understand that your enthusiastic promises will become binding if applicants rely on them when deciding to rent. For example, you may have to deliver the goods if you assure an applicant of a parking space, satellite service, or a new paint job. A tenant who feels ripped off may legally break the lease or sue you for the difference in value between what he was promised and what you delivered. Whether the tenant will win is hardly the point -- you'll have to respond, which will cost time and money.

5. Charging Excessive Late Fees

Late fees can be a powerful tool to motivate tenants to pay the rent on time. And while a higher fee can be a better motivator, some landlords cross the line, by setting fees that bear little resemblance to the actual damages they suffer when tenants pay late. Courts are increasingly invalidating excessive late fees that can't be justified with hard evidence. You're better off setting a modest fee that reflects your true damages, and dealing with chronic late-payers with pay-or-quit notices.

6. Violating Tenants' Rights to Privacy

Most states have detailed rules on when, for what reasons, and with how much notice you may enter a tenant's home. Yet many landlords stop by unannounced, asking to check things over, perform an on-the-spot repair, or show the place to prospective tenants. Repeated violations of a tenant's privacy (or even one outrageous violation) can excuse a tenant from any further obligations under the lease and may also result in court-ordered money damages against the landlord.

7. Using Security Deposits for the Wrong Projects

The most frequent types of cases heard in small claims court are arguments over security deposit retentions. Yet the basic rule -- that deposits should be used only to cover damage beyond wear and tear, needed cleaning, and unpaid rent -- isn't hard to understand. Still, landlords routinely use the deposit to cover appliance upgrades, cosmetic improvements and other refurbishing, not repairs. Not surprisingly, many of these landlords lose these cases in small claims court.

8. Ignoring Dangerous Conditions In and Around the Rental

Landlords in virtually every state are required to offer and maintain housing that meets basic health and safety standards, such as those set by state and local building codes, health ordinances, and landlord-tenant laws. If you fail to take care of important repairs, deal with environmental hazards, or respond when your property has become an easy mark for criminals, tenants may break the lease and, in many states, withhold the rent or make the repair themselves and deduct the expense from the rent.

cont'd on page 11

Legal Beat - cont'd / Technology



cont'd from page 10

Landlords who have failed to make their properties reasonably secure in the face of repeated on-site crime are often ordered to compensate the tenant-victim when yet another criminal intrudes. These are expensive ways to learn the law.

9. Keeping Security Deposits When Tenants Break a Lease

When tenants break a lease and leave early, landlords often keep the entire deposit, reasoning that the tenant's bad behavior justifies doing so, and that they'll ultimately need it anyway to cover rent. In many states, this is illegal -- you must take reasonably prompt steps to re-rent, and credit any new rent toward the tenant's obligation for the rest of the lease. Keeping a two months' rent deposit and re-renting within a month is not legal.

10. Failing to Return Security Deposits According to Law

This list wouldn't be complete without another reference to security deposits. Not only are they used improperly, they're often not returned according to state law, either. Many states have deadlines by which landlords must itemize their use of the deposit and return any balance. It's not uncommon for tenants to wait many weeks or months for this accounting. In some states, the deliberate or "bad faith" retention of the deposit will result in harsh penalties against the landlord, such as an order that the landlord pay two or three times the deposit to the tenant.

For all the information, explanations, and legal forms the savvy landlord needs to rent property right, read Every Landlord's Legal Guide, by Marcia Stewart, Ralph Warner and Janet Portman (Nolo).

by: Janet Portman, Attorney

The Good and Bad of QR Codes

On last week's Podcast episode of Apartment Marketing Gone Digital one of the topics brought up was QR codes. I think



we all agreed that QR codes have the potential to be REALLY cool. So many things are making themselves mobile friendly today that QR codes actually make some sense. As smartphones get faster, have more memory, and more applications come about, it's clear that our internet experiences are evolving more and more to mobile devices. That said, I still question the use of QR codes for a couple reasons.

1. Where is that code pointing to?

What treasure is at the end of that QR code rainbow? Is it just a website homepage or a Facebook page? Or ... does it lead to something that truly is unique to the code? Is there something special? A pot of gold, so to speak. If there is no pot of gold at the end of the rainbow then is the customer going to tell their friend about it? Are they going to share it further? I think these are all critical things a marketer should consider before heading down the QR code path. If nobody is talking about it then it's crap advertising that's being ignored and forgotten.

2. People's time is important

I commented on a QR code post our good friend Mike Brewer had a couple weeks ago with this point. This really ties into point number 1 as well. From my experience, I haven't found myself saving any time scanning a QR code compared to just typing in a URL. If I, or any potential customer, is going to take the time to scan a QR code I sure don't want to just be led to the homepage of a website. I would feel

as if I was being fooled. In my mind this crazy code should lead to something unique or special, and if I'm just taken to a website homepage I'll be disappointed. That's something I've seen before and could have just typed in or Googled in less time. And while your Facebook wall or Twitter page may be great, I've seen that before too so don't waste my time there either.

It's kind of like "checking in" on Foursquare, Gowalla, Facebook, etc. After awhile a badge or mayorship really isn't worth the time it takes for your GPS to figure out where you are. Those services are only as powerful as the content other people leave or the coupon the business offers. The "coolness" of checking in, getting a badge, or being a mayor fades away, and I see the same thing happening to QR codes unless marketers start to get creative.

Bottom line, if you're going to use a QR code for some of your marketing I believe the code is only as good (or cool) as what's at the other end. Just send me to your website and the "coolness" factor of using a QR code is completely washed away from my mind. There is WAY too much potential for using these QR codes to just turn around and ruin the user's experience with a lackluster treasures at the end of the QR code rainbow. I wouldn't be surprised if the entire format gets ruined because poor marketing becomes associated with them.

Go ahead, scan the QR code in this post (please don't print this, it can be done by scanning it right on your computer screen) and let me know if you think it's a good or bad use of the technology. I especially want to know if you think it's a bad use so we can all keep challenging each other to do better. Thanks so much!

by: Mark Juleen, markjuleen.com



Landlord Tips

5 Steps You Can Start TODAY to Get More Resident Lease Renewals

by Heather Blume, propertymanager.com

I want you to get the most out of the 7 minutes it will take you to read this article. They say, time is money, but more importantly, time is opportunity. With that in mind,



here are 5 ways for you to capitalize on the opportunities in front of you today to help you get more renewals tomorrow!

1) Contact Information Audit

If you haven't done one of these recently, it's well past due. I am aware of how tedious it is to call every single resident and confirm or gather their contact info, but doing this serves some great purposes. First, you need that info. And you need more than just a phone number. With the prevalence of throw and go cell phones these days, you need a contact method that's a little more dependable, namely email. I'm a big fan of also gathering permission to text your residents with information at this point as well. Secondly, when you make it a point to call every resident, you're TALKING TO EVERY RESIDENT. You have a chance here to touch base with your customers and take the relationship temperature – Do they need a work order that they haven't thought of? Are they still pleased with their home? Have little problems been building into big frustrations? This a good chance for you to root out those problems!

2) Work Order Audit

If your office staff or maintenance staff doesn't follow up on every work order done each week, this is a good time to start. Satisfacts Research has found direct correlations between outstanding and poorly completed work orders and resident turnover, and all it takes is a phone call, email, or text message to check in with your customers and make sure that the work was done to their standards. If you're working in a busy office, make it your goal to follow up with 10 residents a day. Just 10. You spend more time than that on Facebook each day looking at people posting pictures of their dogs.

3) Get "Micro-Managey" with Your Property Walks

That's right, even when you do get a second to sit down, I'm asking you to get up out of that chair and walk your property. I want you to scrutinize imperfections like you were the biggest micro management manager on the planet. Take with you a legal pad and draw a line vertically down the middle. On one side of the line write "NOW" and

on the other write "TBD" and list every single problem that you see in one column or the other. In the NOW column, write down little problems and short projects that you've been overlooking or procrastinating on. If it is a small thing that will take 5 minutes of a tech or leasing consultant's time, then divvy up that part list and hand it out to your team, keeping some tasks for yourself. For the larger tasks, sit down with your maintenance supervisor and management team and get them scheduled on a calendar. If you don't set a date, you'll never get them done, and your residents notice when you procrastinate upkeep tasks on the property like pressure washing, painting, restriping the parking lot and repainting curbs.

4) While you're doing number 3, don't be all business about it

When we get clipboard tunnel syndrome, it's easy to focus on that task in front of us and ONLY on that task. The problem with this approach is that you miss the life happening around you while you're making your lists, and it's that life, that community, buzzing around you that helps you rent your apartments, not to mention keep your residents. Make sure that you're asking residents while you're out and about making your lists how their lives are going, and then, if they actually answer you, please listen. Converse with them, make them feel appreciated or just on equal footing with you, and they're more likely to stick around, even through the less than pleasant (for them) rent hike we know we have to hand out this year.

5) Don't hide the rental rates

I wasn't a fan as folks did this when the market was going badly, but I could see their reasoning behind it. But now?! Showing your rates and making that knowledge not only available, but visible to your resident base prepares them for the rental increase that's coming. In fact, you could really look awesome here and by allowing them to see what the current market rent is, make sure that the renewal rate is a smidgen lower. The residents feel validated and appreciated, even though the rate is going up, and you're not paying the cost of turning that unit, which, let's face it, was going to cost you 2 to 3 thousand dollars. I think compared to that, a little off the top of their rental rate is a pretty small price to pay.

None of this is rocket science, but I didn't promise you rocket science. I promised 5 things you could do today. Now – Time is opportunity! Get out there and make the most of it!

Resident Retention



Retaining Residents

www.propertymanager.com • by Mary Girsch-Bock

While the number of renters in the market has increased in the last few years, retaining good tenants can still pose a problem for property managers. Maintaining a current resident is much less expensive than locating, approving, and moving in a new tenant. Of course the nature of renting itself is often transient; many people rent while looking for a home to buy, others only in the community for a short period of time.

But there are a select group of tenants that would be more than happy to stay in the community where they rent; provided that they're happy.

So how do you make...and keep your tenants happy? Perhaps most important is good customer service. Most people, by nature, do not really enjoy moving frequently and will likely find reasons to stay where they are, providing that they receive the following:

Good staff responsiveness – Do you always respond promptly to tenant requests? Are maintenance issues resolved quickly and professionally? Are complaints or other issues handled properly, or are they just put aside? These are all important issues and tenants will remember how they are handled (or not handled) at renewal time.

Maintaining the look and quality of the property – Obviously, your properties should be maintained anyway, but many tenants that do become dissatisfied with their apartment home cite issues such as "the property went downhill." While not very descriptive, this can mean anything from neglected landscaping, trash scattered throughout the property, or becoming careless about whom you rent to. Tenants think of their apartment as their home, and coming home to suspicious characters hanging out in the parking lot, or trash blowing around in the wind will make a tenant seriously consider moving come renewal time.

Keep them informed and involved – What's going on in the community that you can share with your tenants? A monthly newsletter, holiday wine & cheese parties, an annual property yard sale, all of these things help to create a feeling of community, and that can be potent.

Consistency in Staffing – While a change of staff cannot always be prevented, it's important to maintain some consistency in the rental office. Tenants often become very attached to office personnel, and frequent staff turnover may not only affect property performance, but tenant turnover as well.

While there will always be tenant turnover, building and maintaining a solid community will help you maintain more of your tenants come renewal time.





Marketing Tips / Technology

Marketing Ideas for March

by Heather Blume in Marketing • propertymanager.com

Is anyone else taking bets to see if March rolls in like a lion or a lamb

this year? I'm not sure many parts of the country could take much more of this lion winter weather. I think we're all craving more of those beautiful spring time days that seem to tease us sporadically this time of year. I've been itching for a picnic



since the first day it topped 62 degrees in the Seattle area. Best of all, we know that sunshine brings in the tours, something that has proven to be a major challenge this year. To encourage a little more traffic, here are 3 ideas for your marketing teams.

Work with March Madness

If you're in a college town, near a college town, or anywhere near Indianapolis (home of the Final Four!), this marketing idea is a no brainer! March Madness brings out great competitive nature and tons of viewers, so why not position your company as a place that's friendly for everyone to come watch? Sure, some people like to watch the game in a bar, but it's nice to have an alternative public venue where you won't get Pabst Blue Ribbon on your pants. You can download the official NCAA bracket from the NCAA website and work with local vendors to set up prizes for people who enter brackets for each week. This is one of those events that's also almost tailor made for the world of social media and Facebook fan pages, because it's so easy to encourage online engagement with this type of content. Best of all, this

event spans a few weeks, so your crowds of people coming through your clubhouse will grow and change! Invest in the cheapest crowd treat out there, popcorn, and let the crowds come to you.

Community Garden

Have you been toying with the idea of including a "Green" addition of a community garden to your property? This is an idea that can work both on resident retention and on marketing, depending on your community demographic. It can also be an inexpensive way to improve your property. As the crocuses start poking through the snow, it's a great time to remind people of how beautiful your community is after the bleak winter months. Offer to waive application fees for people who bring a specific number of seedlings/plants to add to your community garden. It's a great way to appeal to the hippie in so many of us and to tap in to the trend of seeing who can be the "greenest". Plus, it gives you a low to no-cost way of getting your community garden off the ground!

St. Patrick's Day

Don't forget on the 17th of the month, green is a given! There are so many ways to tie together St. Patrick's Day specials – "The Luck of the Irish brought you to us!" "Wear some green, save some green!" – don't limit yourself to just a day of fun with the holiday. Green balloons with various move in specials and gift certificates inside (and a little paper confetti!), give your future residents a bit of excitement in the rental process while tapping in to the luck aspect of the holiday, and also keep your leasing consultants engaged in the sale, since they will want to know what's inside the balloon as much as the future resident will!

Can the Clouds Bring Your Rental Business a Good Night's Sleep?

Ever wonder how you can bring that professional touch to your new business as a landlord? Take advantage of all the new free cloud tools you heard about or maybe have not heard about. Save money and simplify your steps. Using all the latest tools to keep a professional image and a back up copy will bring you a secure feeling.

Let's start with the setup. First, let's get you signed up for a free Google email account and a phone number. This new number and email account can be used on all of your marketing and lease documents. All calls to your new number will ring on your personal cell without displaying your number. Busy answering calls for your new vacancy? You'll never miss a call with your new phone number. All voicemail

messages will be converted to text and appear in your inbox for your review. Running late for your next showing? Just login to your Google account and send a quick reminder to confirm your next appointment. Once new residents have been screened and approved, grab your smart phone. If you haven't already, download a CamScanner app for your smart phone.

You can use CamScanner to take pictures of the resident's check and convert it to a pdf document for yourself and you'll be able to email a copy of the pdf to the resident. Use Google Docs as your digital file cabinet and back up your marketing flyers, copies of checks and leases. Busy at work when a resident needs a quick question answered? Log it in to Docs and you'll still have a copy in your cloud case.

Linda Liberatore, Secure Pay One. Article adapted from the Lake County Property Investors Association, LCPIA.org.

Energy Tips



Tankless Hot Water Heaters: Should I or Shouldn't I?

www.bobvilla.com

Whether you are building a new home or retrofiiting an older one (like me), take time to evaluate the hot water system. After all, estimates report that as much as 30% of a home's energy budget is consumed by heating water.

My new "old house" came complete with an old, rusted gas, tank hot water heater in the attic that was dying...well, dead. The question was not "should it be replaced?" but rather "should it be replaced with a similar model or a new tankless system?"

A traditional water heater continuously heats water in the tank regardless of whether it is being used. By comparison, the newer tankless designs heat water only when there is demand for it. Less stored water to heat...less cost. And, let's not forget, more compact and wall-mounted designs.

I did some research on water heating in general—and tankless hot water heaters specifically—and here is what I learned:

Size Matters: Tankless hot water heaters are available in room (i.e. sufficient for a large bathroom) or whole house sizes. Calculate how many appliances or fixtures need hot water to determine the best size unit for your home. For me, a whole-house system was required.

Fuel Type: Hot water heaters are available in either electric or gas (natural and propane) models. If you are considering electric, check for voltage and amperage requirements. The gas version will need some electric to operate, but venting will be the bigger issue.

Location: If you live further north, your ground water will be colder than if you reside in the southern or western part of the U.S. The temperature of the water will affect the speed and flow.

Know the Flow: If you think you will need to run the dishwasher while someone else is showering, calculate a larger gallons-per-minute (GPM) to meet your overall water needs. Take into account water usage, too: A bathroom needs less water than a kitchen; a dishwasher less than a shower, etc.

Look into Rebates: Many utilities offer incentives and you may benefit from state tax credits as well. Investigate both to make sure you meet the requirements and reap the full benefits.

Understand the Payback: In general, a tankless hot water heater will cost you more upfront—the average between \$800 to \$1,150 (plus installation), compared to traditional tank water heaters at \$450-\$750 (plus installation). Balance the cost of your unit with your ongoing operating costs. The estimated operating costs for tankless models can be as much as 24% to 34% less, according to the Air Conditioning, Heating, and Refrigeration Institute (AHRI).

I chose a Rinnai tankless hot water heater for my home.



Gas-operated tankless hot water heater diagram.



Rinnai Tankless Hot Water Heater Install



Rinnai Tankless Hot Water Heater



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Pictured: Abby Vogen-Horn, representing Focus on Energy, and Rich Arnesen, representing Stone House Development

If you are building a high-rise multifamily building and wish to seek ENERGY STAR certification, contact Focus on Energy today.

Visit focusonenergy.com/multifamilyprograms or call 866-486-0832.







Maintenance



Always Ask Residents if Something Needs Fixing

by Lisa Trosien, propertymanager.com

I remember when I first started in the apartment industry, someone told me to always ask my residents if there was anything in their apartment that needed fixing. Now, at the time, I thought that was kind of odd. Why would we ask if there was something WRONG with our product? That seemed ... I don't know...almost as if we had no confidence in our own apartments. But because I was instructed to do it, I did it. And guess what? It worked.

Every time a resident either called our leasing office or came in to the office in person, I always said, "Is there anything in your apartment that needs some attention?" OR "Are there any outstanding maintenance issues in your apartment that we

can take care of?" OR "Do you need us to come in to you apartment to repair anything" OR "Is everything working all right in your apartment?" (You see, I got bored with asking the same old question, so I changed it up every single time I asked it.) And almost every single resident had *something* that needed attention. I might have been a leaky faucet. Or a loud blower motor on the furnace. Or maybe even a bi-fold door off the track. But there was almost always something. And they were all very grateful that I had taken the time to ask if there was anything they needed.

Yes, it creates work. But it does so much more. It keeps the small problem, like the leak, from becoming a big problem. And it lets your residents know that you care about keeping their home repaired, safe and something they can be proud of. So remember to always ask. And you'll reap the benefits immediately.







WAA Newsletter Dates & Drocedures

- 1. Items for newsletter should be forwarded to jodi@sugarcoatdesign.com, electronically whenever possible.
- 2. Please submit news articles in the following formats: MS Word, Html copy, PDF, MS Works, eps, jpeg, tiff or text format.
- 3. Your articles, either by email, fax, or US mail must be received by the 3rd of the preceding month.

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Resident Concerns



Residents That Hoard



by Lynn Dover in Law • propertymanager.

Resident hoarding can cause significant health and safety problems, both in the hoarder's unit and in neighboring units.

Hoarding can create pest infestations, mold problems, increased fire risk, interfere with entrance or exit of the unit, or exceed maximum load bearing floor capacity. These things, of course, make it difficult to keep the surrounding residents happy.

Hoarding is rarely self-reported by the hoarder. Instead, it is often discovered by maintenance staff making a repair in the hoarder's unit, or in a neighboring unit. Hoarding can create a problem for surrounding units, such as water intrusion, mold, or a pest invasion in a neighboring unit.

Hoarding is not just a matter of poor housekeeping. Hoarding is believed to be a form of anxiety disorder and/or obsessive/compulsive disorder (OCD). Depression can also be a component.

Hoarding is loosely defined as:

- The acquisition of a large number of possessions that appear to be useless or of limited value:
- Living spaces cluttered so they can no longer be used for their intended purpose; and
- Causing significant distress or functional impairment.

Hoarded items may be valuable collectibles, or trash, or anything in between. Units can be literally packed, floor to ceiling and wall-to-wall, with just a small path for movement in the unit.

Because hoarding is caused by one or more psychological disorders, compulsive hoarders are generally considered disabled. Federal and state fair housing laws protect people with disabilities, including mental disabilities. Fair housing advocates contend that before eviction of a mentally disabled resident whose disability is causing the person to violate the terms of the lease/rules, good faith efforts must be made to accommodate the resident's disability. This generally requires that the resident be given an opportunity to come into compliance so that he or she can remain a tenant.

Examples of potential accommodations include:

- Setting scheduled unit re-inspections and establishing goals that the resident must meet.
- Providing the resident with a list of community resources that can assist the hoarder.
- Working with a fair housing and/or mental health advocacy group assisting the resident to develop a plan to bring the unit into compliance.

When dealing with a hoarding situation, the focus should be only on solving legitimate health and safety issues rather than attempting to achieve ideal housekeeping habits. It should be recognized that even if the hoarder meets minimum health and safety standards, the unit may not be in an "optimal condition."

Hoarders may not recognize the severity of the problem or be equipped to resolve the hoarding problem on their own. Some hoarders believe their hoarding is beneficial because they are savers, not wasters. Others deny that any problem exists. As a result, it may be helpful to involve a neutral third party such as a fire department, code enforcement or health inspector who can inspect the unit and identify code or other health and safety violations.

Accommodation may not be required, and termination of the tenancy may be possible, if:

- The person is a clear, direct and immediate threat to the health and safety of other community residents;
- There are serious health and safety issues that cannot be mitigated through accommodation;
- The resident has caused serious monetary damage to the unit and will not reimburse the landlord for the cost to repair the unit; or
- The hoarder will not engage in the accommodation process or cooperate to bring the unit back into compliance.

Even if health and safety issues are initially resolved, a hoarding resident may "slip" and re-hoard again the future. Therefore a written "Accommodation Agreement" should be considered, providing periodic unit inspections and a specified time period for correction of future health and safety issues.

No two situations are alike. Each hoarding situation requires analysis based on the facts of the particular case. It is advisable to seek legal advice before taking any action to terminate a tenancy if compulsive hoarding may be involved.



Maintenance / Fair Housing

I Don't Need Lead-Based Paint Training

Why waste my money and a day of my time sitting in the 8-hour Renovator training class? I'll just hire contractors and let them take care of everything, and that will cover us. While they worry about it, I'll be at the beach or pursuing my hobby (restoring 1920s to 1950s vacuum tube radios, in my case). Yep, owning rental property is easywhy worry? You just hire contractors and turn them loose.

Oops, what is that? My contractors now want to charge how much for that job? Oh wait, I've got a regulator on the phone asking to review my renovation and repair records for the past three years! I was just told about a lead-poisoned child in rental #3. Now I really wish I was at the beach.

The new EPA Renovation, Repair, and Painting regulation is one of the most significant events of the past 50 years in the rental housing and contracting industries. Why wouldn't you want to understand what it is all about? Why wouldn't you want to save money and manage, rather than react and guess? Why wouldn't you want to know where there is or is not, lead-based paint on your buildings? Why wouldn't you want to have a leg-up on your clueless competitors? Yet only a small percentage of landlords have attended Renovator training classes. The demand for lead-based paint inspections is higher than ever and growing.

Yet a very small percent of buildings have been inspected. Does anyone believe that training or inspections will become less expensive as growing demand meets limited supply? As an owner or manager, you may never pick up a tool, but you do want to be able to understand what your contractors are doing, be able to analyze bids, and be able to evaluate their performance. Attending the 8-hour Renovator training class is one of the best ways to enhance your understanding of the tasks and time required to comply with the regulations. Of course, if you are working on your own buildings, or directly supervising work crews, attendance is a must. If you examine the long list of tasks a Renovator must perform, and the times when a Renovator must be present at a job site, it is clear that every on-site work crew supervisor must be trained and certified.

Remember, all work done on pre-1978 buildings must now be done according to the new regulations, and there could be heavy fines for violations discovered during future audits. The regulators are not standing still. They have already amended the new regulations. Besides taking the class, it is important to keep up with the regulations. The changes effective July 6, 2010 require additional disclosures of records to residents. The EPA is proposing that a consultant check and test all work, rather than allowing Renovators to use wipes and a color chart to check their work. They are also proposing that the regulation be applied to public and commercial buildings.

Stephen Masek, President of Masek Consulting Services, Inc. MasekConsulting.net

Service Animals: The ADA vs. The Fair Housing Act

I know this article is needed because we get these questions frequently:

- "The Americans with Disability Act (ADA) says that service animals have to be trained or certified .. "
- "The ADA was recently changed; how does that affect the need to accommodate disability-related animals in housing?"
- "The ADA now only allows for the use of service dogs. Does that mean I can serve an eviction notice to those I've accommodated in the past with companion kitties?" And so it goes.

Folks, there's a fundamental point that many are missing. The ADA is not the Fair Housing Act (FHA). The ADA has nothing to do with the FHA. Changes to the ADA have no effect on the FHA. In fact, to a great extent, the ADA has little to do with housing at all. Unfortunately, the ADA has been in the news a good deal and articles about it rarely delve into the fact that disability-related animals in housing is a different critter altogether.

The ADA addresses public accommodations in businesses, restaurants, and the like. The only place it touches the housing industry is where it speaks to: (1.) The accessibility needs of the model homes and sales/rental offices and (2.) the accessibility requirements of any publicly available places within a housing complex (for example, a community center available for anyone to rent for private functions).

The FHA, on the other hand, deals with housing. The portion of this federal law that addresses disability as a protected class includes provisions for reasonable accommodations and modifications. The request for a disability-related animal despite a no-pets (or other pet-restricted) policy is, in fact, one of the more common reasonable accommodation requests we see in housing of all kinds-rental, sales, homeowners associations, manufactured home parks, etc. And it's not surprising given the range of services such animals can provide and knowing that an even broader array of medical conditions that can benefit from such treatment.

In housing, under the FHA, it doesn't matter what you call them (service animals, companion animals, therapy animals, assistance animals, aid animals, working animals, etc.); if the animal exists to serve the individual's disability it is not legally a pet and may not be treated as such. That means no pet fees, pet deposits, pet rent, and no increased security or cleaning deposit simply because the animal exists. You may not restrict such animals by breed or species in housing.

You may have assistance animal rules as long as they're no more restrictive than any pet rules you may have. Now as with any other accommodation/modification request, the disability-animal request must too, be "reasonable" and the resident is responsible for their animal. That means that you would be within your rights to respond to the service bird that shrieks at two in the morning, the companion cat that attacks other residents, or the seeing-eye-dog that soils the carpet.

Jo Becker, Education Specialist Fair Housing Council, FHCQ,org.





ARE YOU SURE?

Renovators, Property Managers, Realty/Leasing Agents:
Are you sure you understand 40 CFR 745.84?
Have you fully complied with all of 40 CFR 745.113?
How about OSHA's Standard 1926.62? 406(b)?
Section 1012/1013 of Title X?

If these regulations sound like a foreign language to you, and if the potential for tens of thousands of dollars in fines troubles you, then CONNOR Institute can help.

CONNOR Institute, with 20 years of environmental training and compliance experience, speaks government regulation fluently. We offer Compliance Assistance Visits (CAVs), to help you solve your regulatory riddles.

When you schedule a CAV, one of our professionally trained and experienced compliance experts will come to your location to evaluate where you stand. We will thoroughly examine your records, comparing them to regulatory standards, showing you where you have done well, and guiding you in the right direction when necessary.

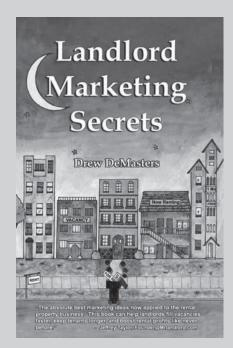
When your CAV evaluation is complete, we will submit a report summarizing the steps necessary to stay out of trouble in the future. Your legal council may use our findings to work with the appropriate governing body in helping you to avoid fines for past mistakes, and to demonstrate correct procedures for any future regulatory audits.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT BOB BIXLER at 443-322-1220, or bbixler@connorinstitute.com, or visit our website at

www.connorinstitute.com



Book Review



Landlord Marketing Secrets

by Drew DeMasters

Landlord Marketing Secrets empowers landlords and property managers to boost their profits with the principles of direct marketing. Written in an engaging, easy-to-read style, each secret breaks down into specific actions to increase your rental income.

How_{\$}

By revealing clear steps to find and keep great residents in your properties AND to make more money from them each and every month. With rave reviews from some of America's top landlord experts, this is one book that can radically change your money AND your mind.

Packed with the 11 most powerful marketing secrets today and lots of examples, Landlord Marketing Secrets reveals your shortest path to success with some proven principles (not theories) for your rental business. Learn from an expert how to:

- Find great new residents
- Keep them long-term
- Increase your rental income (even without raising the rent)
- Turn your residents into raving fans
- Build referrals
- Fill vacancies faster (even before spending money)





WAA Contact Information





Wisconsin Apartment Association

627 Bayshore Drive, Oshkosh, WI 54901 (920) 230-WAA1 • www.waaonline.org

Rental Housing Forms available through waaonline.org or contact your local forms rep.

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Rental Housing Certification 100 Series

The Basics, is devoted to keeping rental property owners informed and education on new laws. Comprised of seminars on basic property management aimed at the new rental property owner, property manager, leasing agent; it is also suggested as a refresher series for those who have been in the business a number of years. Classes in this module are:

- * 101 The Law and the Landlord I: Wisconsin Statute Chapter 704
- * 102 The Law and the Landlord II: Consumer Protection (ATCP) Chapter 134
- * 103 Fair Housing Laws
- * 104 Lead Paint Awareness
- * 105 Credit Reports
- * 106 Basic Recordkeeping

- * 107 Screening Your Applicants
- * 108 Screening Workshop
- * 109 Nuts and Bolts of Eviction
- * 110 Bonding and Garnishment

Why Join WAA?

The WAA is your portal to the rental housing business in Wisconsin. Membership gives you access to what you need to know and what you need to do to run your rental properties successfully, ethically, and responsibly.

10 things every successful landlord needs to know. Do you?

- Fair housing information
- Applicant screening and processing
- Eviction procedures
- Rental forms specific to Wisconsin
- Lead based paint requirements
- Rental disclosures required by law

- Bills and rental housing policies under discussion at the Capitol.
- Best rental housing management practices
- Document storage, security, and disposal
- Property marketing techniques



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