

# *RentWise!*

Rights and Responsibilities of  
Landlords and Tenants  
In Hamilton County

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## HOW TO USE THIS BOOK

Whether you're an experienced renter or a first-timer, you have decisions to make before you move. **Chapter One** helps you think through important considerations before you start shopping for an apartment.

**Chapter Two** should be reviewed thoroughly before you sign a lease. Many people don't know what commitments they make when they put their name on the dotted line at the bottom of a long, complicated legal contract!

In **Chapter Three** you'll find an explanation of the legal "duties" of a tenant, and how to handle issues such as rent raises, extra roommates, or late rent.

"The Law" is discussed in detail in **Chapter Four**. This information will help tenants and landlords understand their rights and responsibilities under state and local law when a particular problem arises.

Renters should read **Chapter Five** on home-buying well before they are ready to own. **It explains what renters can do to "get ready" to qualify for a loan.**

**Chapter Six** gives landlords creative tips on successful property management, and helps less experienced landlords understand their basic legal obligations.

ENJOY!

# Chapter One-READY TO RENT?

Decisions, Decisions, Decisions! The big decision to move has within it many small choices. Wise choices add up to a rewarding experience and a "good rent history," which is so important when the time comes to buy a house.

Unwise decisions can lead to financial distress, court action and poor references-which seriously limit housing choices in the future.

If you are thinking about renting, this chapter will help you think about it *realistically*.

Rent-wise people will think about these things *before* they go shopping for an apartment:

HOW MUCH CAN YOU AFFORD?

WHAT TYPE OF RENTAL DO YOU NEED?

CAN YOU QUALIFY?

WHAT ABOUT ROOMMATES?

WHAT NEIGHBORHOOD SUITS YOU?

HOW DO YOU FIND A RENTAL?

WHAT ABOUT DISCRIMINATION?

**AFFORDABILITY:** Many people, especially young first-time renters, get into financial trouble when they don't plan for expenses. The following are **up-front cash requirements** for first-time renters:

**Damage deposit:** \$150 and up. Landlords often ask for a refundable deposit equal to a month's rent.

**Rent for first month:** (See the Housing Types chart for approximate costs.) The entire amount is due when you sign the lease and move in. Your rent should equal about one

week's pay (before taxes), or about one-quarter of your gross monthly income. Many landlords use this formula when deciding if you can comfortably afford a unit.

**Utility deposits:** If you've rented before, deposits will transfer to your new address with just a phone call to the utility. First-time renters will need cash on hand to start service.

**Electricity:** \$50, 2 pieces of ID, 24 hours notice.

**Water:** \$15 turn-on fee. No deposit unless renter has been cut-off more than once or owes the company. A \$25 deposit is required along with payment of an old bill.

**Gas:** Some rentals require natural gas for appliances and heat. No deposit is needed if credit is good. In cases of poor credit, an amount equal to the 2 highest bills at that address last year is demanded. This can run from \$50 to \$500. For best service, give a week's notice.

**Phone:** No deposit if credit is good; people with no credit or poor credit pay \$75 which is returned after a year of timely payments.

**Budget experts say that rent plus monthly utilities should take no more than one-third of your gross monthly income.** Unfortunately, lower-income families frequently must spend 50% of income for housing costs. If you have unpaid bills from another address, the utility companies will work with you to make special arrangements to continue service, but don't abuse the privilege! If utilities are cut off for more than a few days, you may get evicted. Those trying to get service under a phony name can be prosecuted for fraud.

WHAT CAN YOU AFFORD? (example)	
Gross monthly income	\$2,000
Divide by 4 for monthly rent	500
Divide by 3 for rent + utilities	675
This budget will be comfortable and leave a little money to have fun with.	

MOVE-IN COSTS (example)	
Deposit	200
1 <sup>st</sup> month rent	400
Utility deposits	90
Truck Rental	40
Drapes, rug	<u>175</u>
Total	\$905

## CHOOSE A PLACE THAT FITS YOUR LIFESTYLE

The following two pages offer a comparison of housing types that is based on general practices; there are always exceptions.

Costs, qualifications, and landlord adherence to codes and laws will vary depending on the condition of the building, the neighborhood, and the professionalism of the landlord.

As you know, **you usually get what you pay for.**

If you rent an apartment, duplex, or house from a property management company-rather than from the owner-expect tougher qualifying standards and more strict enforcement of the lease.



## Apartment Complex

## Private Apt. or Duplex

<b>Cost</b>	\$450-600 for 2 BR	\$300-500 for 2 BR
<b>Qualifications</b>	Good credit and rental history; steady employment. Must earn approx. 4 times rent per month. Everything will be checked out.	Depends on condition and location. Job will be verified. Will be a credit check for eviction or bankruptcy.
<b>Maintenance</b>	Ship-shape when you move in. Repairman on site and timely. Everything kept in working order by management (but if you brake it, you pay) Regular pest control	You rent "as is". Tenant may have to clean it up, fix smaller problems, and stay out of landlord's hair. The fewer complaints, the fewer rent raises. Landlord may not know legal responsibilities.
<b>Advantages</b>	Ease of communication with on-site professional manager. Amenities such as central heat/air dishwasher, storage room, laundry and pool. More accessibility for disabled. Fair housing policies. More security, drug-free policies, rules enforced. Fair damage deposit return.	More privacy, less pressure from neighbors, ground floor (garden, play yard). Unit may have "character" and unique features. Fewer rules and less landlord interference. More flexibility in lease. Evictions may not be as rapid.
<b>Disadvantages</b>	Complicated lease strictly enforced and expensive to terminate. Little toleration of late rent, unauthorized guests, unsupervised children, and noise. Standardization and conformity. Pet fees.	Landlord may be unpredictable or hard to reach. May not offer lease. May not know the law; may be slower to make repairs or refuse to repair; may attempt to throw tenant out without proper notice.

	<b>House</b>	<b>Mobile Home</b>
<b>Cost</b>	\$400-800	Unit \$350; lot \$150-215
<b>Qualifications</b>	May depend on price and whether you rent from a property manager or the owner.	Depends on age of park. Usually not strict. Probably won't check credit if the unit is older.
<b>Maintenance</b>	Varies according to age of house. Tenant must keep up yard and keep eye on furnace, plumbing, etc. Disputes can arise when there's a systems failure and landlord may not have the money to repair.	Often poor. Unit may have dangerous defects. Cheap construction means more breakage. Parks (or any rental units) outside city limits aren't regulated by housing inspectors.
<b>Advantages</b>	Can live "normally" as part of the neighborhood. Privacy, space, storage, yard, garage. Freedom for kids. May not be limit on number of children or pets. Good long-term choice	Can live in country setting for little cost. May not need to make long term commitment. Might trade skills for rent.
<b>Disadvantages</b>	Older houses hard to clean and may be expensive to heat and cool. Tenant may be responsible for routine maintenance. Pressure from neighbors to upkeep. May be security risks. Landlord may be difficult to contact. House may be sold mid-term.	May encounter discrimination or other legal infractions. Units difficult for disabled. Landlord may be difficult and unpredictable. May be many rules that change often. Sometimes must buy utilities, skirting, etc., from landlord.

## WHAT ABOUT ROOMMATES?

It makes sense to share expenses with a friend, but it's not easy to find one whom you can count on for 12 continuous months. Potential roommates should frankly discuss:

Rental Histories	TV, Music, Phone	Parties/company
Financial Status	Housekeeping Habits	A.C. & Heat Levels
Job Stability	Overnight Guests	Security Needs
Drinking/Smoking	Privacy Needs	Food/Fridge
Pet Care	Grades & Study Habits	

Housekeeping and eating habits should be discussed in detail because differences cause such discomfort. Talk about cooking smells, cleaning the 'fridge, dirty dishes, the cat box, allergies, whether you like windows open, scrubbing the tub, garbage, and of course, pets. You may even want to put agreements in writing.

Students err when they select roommates based on personality or popularity rather than **STABILITY AND RELIABILITY**. Signing a binding legal contract with someone is serious business. Roommates who don't deliver their share of the rent on time will drive you nuts, and if one flunks out and flees for home, the remaining "lessee" is responsible for all rent, unless he/she can successfully sue the deserter. (Also see *Living Together* in Chapter Three.)

## CAN YOU QUALIFY?

Requirements usually are: be 21 or over; have cash for deposit and first month; be employed and earn a minimum of \$800 per month; have decent credit; have landlord references and no past evictions. (Also see "What Landlord Can Legally Require" in the Discrimination section.)

**The landlord seeks people who are emotionally mature and dependable, and who are apt to fulfill the three most important obligations of a tenant:** *to pay rent on time, every time; to take care of the unit and yard; and to have peaceful relationships with neighbors.*

## **HUNTING DOWN A PLACE TO LIVE IN A COMPETITIVE MARKET**

Remember the good old days in Chattanooga when finding a neat place was fairly easy? Looking for a decent affordable rental in the late 90s has become a frustrating and time-consuming affair, especially since so many landlords are rejecting people with poor credit or poor landlord references. Rental rates have been rising rapidly, and competition for rentals in the middle price range is fierce. In order to bag a good one, you must go house-hunting just like you were looking for a job!

Dress well, speak clearly, know what the landlord wants, and know what you want, get your info together, and sell yourself!

### ***Tenant Tip.***

*You may be competing with 12 other people for the same place, so make a good impression with the very first phone call-even if it's to a machine. Put your "positives" in the first sentence: "I've been on my job 3 years. . .I make \$2500 a month. . . my children are on the honor roll. . . I will get a good reference from my landlord. . . I was at my last address 4 years. . . we do not drink or smoke". . . whatever. Your second sentence should clearly describe what you want "... a 2 bed- room in the \$4-500 range in the Brainerd area by July." Boom. Third sentence. . . slowly give your number and the best time to reach you.*

***SPEAK CLEARLY IN A LIVELY WIDE- AWAKE VOICE!***

## **WHERE TO LOOK:**

- Ask current landlord about her other units
- Ask friends and coworkers
- Check Sunday classified ads on Saturday night
- Call Housing Info Line
- Check under Real Estate Management in the yellow pages
- Call apartment complexes listed in yellow pages
- Pick up copy of Apartment Guides
- Ask residents in neighborhoods you like
- Drive around and look for signs

## **WHY TO LOOK AROUND:**

People get stuck in particular neighborhoods out of habit. Be open to change. Expand your search. Driving around gives you perspective on rental rates. Don't automatically eliminate certain neighborhoods. If you take time to really look, you'll probably be happier with your choice and stay longer. If you love the place but get bad vibes from the landlord, keep looking.

## **QUESTIONS TO ASK ON PHONE:**

- Amount of rent and deposit
- Number of bedrooms and baths
- General condition of unit
- Kind of heat and winter bill
- Neighborhood, school, bus line
- Length of lease
- Credit requirements
- Application fee
- Pets; Garage; Lawn care
- Storage space; laundry
- When available; When can I see it

## **QUESTIONS LANDLORD MAY ASK ON PHONE:**

- What is your income (give gross monthly income of household not hourly wage!)
- Where do you work and how long
- Will your credit check out
- Bankruptcy or evictions
- Where do you live and for how long
- Who is your landlord; will he/she give you a reference
- Married; how many kids; how old; what about child care

### ***APPLICATION AND CREDIT CHECK***

The landlord may conduct an intense interview. Questions may be quick and personal. She's trying to determine whether you're hiding anything and whether you "fit the profile" of a sober, reliable renter.

You'll improve your chances if you:

- LOOK GOOD! Dress like you were looking for a job
- Leave the kids at home
- Wash the car
- Be on time
- Have all dates & former addresses at hand
- Have landlord and employer phone numbers
- Carry cash for application fee
- Turn in a tidy, complete, and truthful application
- Take time to negotiate for what you want
- Take time to inspect the unit. . . carefully
- Take time to read the lease. . . carefully

Your credit report will be checked by almost all landlords, but standards will vary widely, depending on the price of the unit. Some landlords may turn you down for recent "slow pays," while others just check for bankruptcy or an eviction judgment.

**Refusal because of a bankruptcy or "no credit":** People are shocked when the Big B comes back to haunt them in so many ways. Those who have filed in the last several years will not be able to rent in most complexes, despite a good job and income. Now that credit checks are common, the tenant should prepare ways to overcome the landlord's doubts. Some will listen if you present proof that the financial failure was due to overwhelming medical bills. For either a bankruptcy or too little credit, you might offer 3 month's rent in advance or a credit-worthy co-signer (**but ask that this person's liability be removed after a year of timely payments, and get this in writing**).

If an applicant is rejected based on a poor credit report, the apartment manager must notify the applicant of the name of the credit agency and of his/her right to obtain a free copy of the report (amendment to Fair Credit Reporting Act, October 1997).

**Children:** Many landlords prefer not to *rent* to families with children because of damage and noise. However, they cannot *refuse to rent* to you because you have children (see Discrimination section). If your kids are good students and well-disciplined, assure the landlord that they are carefully supervised. It may improve your chances of getting the rental.

## **DEPOSIT/FEE TO "HOLD" AN APARTMENT**

Occasionally a tenant may want to hold a unit for a *few* days while comparison shopping. You can ask the landlord to stop advertising and showing the place, and pay earnest money to guarantee that your option to *rent remains open while you decide*. *If and when you sign the lease, this* deposit is applied to the first month's *rent*. If however, you decide to rent elsewhere, this deposit becomes a *fee*, and is not returned.

*Tenant tip:*

*Any deposit money given to a landlord-no matter what it may be called-will belong to the landlord if the tenant decides not to rent..*

## RENT-TO-OWN DEALS

Sometimes advertised as Lease/Purchase Agreements, these come-ons appeal to naive tenants who believe there's an easy way to buy a house even if their credit is bad! Many times these offers are scams bordering on fraud. The tenant pays higher *rent* for the option to buy the place a year or two later if he comes up with a whopping down payment. The owner knows the tenant won't be able to save the \$5000 or more needed to exercise the option. He may have worked the same deal-**with the same house**-over and over again. This scam is prevalent in lower-income neighborhoods, and renters with credit problems are typical victims.

Tenant Tip:

*If you are thinking about a rent-to-own contract, see a real estate attorney before you sign anything. The Housing Info Line or the Lawyer's Referral Service is a good place to start. If you presently have a lease- purchase contract, talk to the Division of Consumer Affairs in Nashville. The Consumer Protection Act covers this type of scam: it says "a significant number of consumers have not been made aware of total costs, ownership transfer terms, or other important disclosures."*

Normally a landlord will not offer owner-financing to a tenant unless they know and like each other well. The landlord who beguiles a stranger into such a contract does so with greedy intent.

## WAITING LISTS

If your heart is set on one location and no units are available, discuss time-frames and determine exactly how many applicants are in front of you. You may decide to pay the application fee, have the landlord check out your references, and if approved, be placed on the waiting list. Be sure she can reach you anytime a unit becomes available. If the landlord repeatedly refuses to return your calls, or if you see vacancy ads for the same place, refer to the Discrimination section of this book.

## DISCRIMINATION: WHAT IT IS . . . AND ISN'T!

The word "discrimination" is commonly misunderstood. Under the federal Fair Housing Act, a landlord can be said to be "discriminating" only when he/she treats people differently or unfairly because of their race, color, sex, mental or physical disability, religion, nationality, or because there are children in the family (or pregnancy). These are considered the "protected classes" under the law.

Some tenants feel "discriminated against" when the landlord won't allow smokers, unmarried couples, people under age 21, or when he refuses to rent because of sexual preference or bankruptcy. None of these categories are protected by the Fair Housing Act, and the landlord may therefore set his own policy as long as he applies it equally to every applicant.

**Landlords are not discriminating when they require that you meet the following standards, as long as the standards are applied to everyone, and are not used to screen out people in the protected classes.**

### **YOUR LANDLORD CAN LEGALLY EXPECT YOU TO:**

- Be employed and earn a certain amount (usually 3 or 4 times the rent per month).
- Have good references from past landlords regarding rent payment and damage.
- Have a good credit report showing no bankruptcies or evictions. . House no more than 2 people per bedroom.
- Be 21 or older, or have a credit-worthy co-signer.
- Not have a criminal record or a history of threatening the safety or health of others.

## LANDLORDS MAY BE DISCRIMINATING IF THEY:

- Advertise with wording that puts limits on any protected classes.
- Use different acceptance standards based on race, color, sex, nationality, handicap, religion, children in the family, or because a couple is bi-racial. . Refuse to talk or deal with an applicant after advertising a vacancy. . Deny that a unit is available for rent when it really is.
- Provide fewer services to one of the protected classes, or impose more restrictive rules, or less favorable rental terms or conditions.
- Use delaying tactics, burdensome procedures or manipulate waiting lists to unfairly affect opportunity.
- Steer home-seekers to or from certain rentals because of children, race, handicap, or other protected category.
- Refuse to let a disabled tenant make reasonable modifications to the unit (at tenant's expense) when those changes are necessary for full enjoyment of the premises.
- Refuse to make reasonable accommodations in rules and policies which could afford a disabled person equal opportunity to use and enjoy the dwelling.
- Harass a tenant in a gender-defined context; or commit acts intended to "coerce or intimidate" one of the protected classes (including women); or "create on-going interference" with a tenant's peaceful enjoyment of the premises.
- Refuse to rent based on the number or ages of children (although the land lord may restrict family size to 2 per bedroom).

## EXCEPTIONS

Landlords are exempted from provisions in the Fair Housing Act in the following situations: when the landlord owns and manages not more than three single-family houses; when the dwelling has not more than four independent units and the owner lives on the premises; when rental units are operated by religious organizations or by private clubs such as sororities; when the building is designed specifically for elderly persons.

### **WHAT RENTERS CAN DO:**

If you feel that a landlord broke one of the provisions of the Fair Housing Act you may want to file a discrimination complaint and have it investigated. If the landlord can easily show that you failed to meet qualifying standards, you'll be wasting your time; however, if his "pattern and practices" are truly discriminatory, things probably won't change without pressure from you and the courts.

- Keep documentation including dated ads, copies of applications and correspondence, a diary of calls and conversations (especially with regard to reason for refusal).
- Get witnesses to conversations, vacancy signs, missed appointments, etc.
- Have a friend inquire about the apartment to see if it's still available. "Testing" is legal, even though the tester must often assume another identity and pretend to be house-hunting.
- File a complaint with the U.S. Department of Housing and Urban Development (within a year) or the Tennessee Human Rights Commission (within 180 days), or consult a private civil rights attorney. Actual and punitive damages may be awarded. The sooner you file, the easier it will be to track the facts of the case.

## Chapter Two-

# BEFORE YOU MOVE IN

O.K. You've found an affordable rental in a neighborhood you like, but STOP! Before you sign anything or offer a deposit, do two important things:

### **(1) INSPECT THE PLACE CAREFULLY**

### **(2) UNDERSTAND THE LEASE**

Most tenant/landlord disputes arise because tenants are in a hurry-or are pressured-to seal the deal before they know what the real deal is! If the landlord becomes impatient or nasty in this stage of the process, there may be something he doesn't want you to know, or perhaps you're getting a glimpse of a bad disposition. In either case, you may want to shop around some more.

### **INSPECTING THE PREMISES**

Get the key and spend time alone feeling the place out. Make notes about things you want to research or discuss with the landlord. Always check:

- Type of heat & cost (get winter bills from EPB )
- Water pressure (turn on all faucets at once and flush toilets)
- Windows open and seal; storm windows and screens
- Adequate storage and closet space
- Enough fully-functioning electrical outlets
- Appliances (push all buttons on stove, fan, A.C., heater, etc.)
- Doors and windows lock
- Fire or smoke alarms and escape

### **WATCH OUT FOR:**

Units in the flood plain  
Mildew, musty odors  
Traces of bugs or rodents  
Drafts; poor insulation  
Water stains on ceiling  
Septic tank odor in yard  
Evidence of leaks under sinks

### **ASK NEIGHBORS ABOUT**

Heat and hot water situation  
Security/safety  
Landlord's disposition  
Bugs  
Sound-proofing/noise  
How fast repairs are made

Always assume that you are renting the unit "as is." Promised repairs should be penned into the lease or otherwise obtained in writing. Even though the landlord may promise to fix the stove "as soon as you move in," it often doesn't get done. **If you decide to rent the place, assume you are renting it as is.**

### **PROTECT YOURSELF WITH A MOVE-IN INSPECTION**

The landlord may provide a form; if not, list defects for his signature. Date and file it. Otherwise you may be charged for that damage when you seek return of your security deposit. If you ever have to prove the condition of the place when you moved in, one photograph is worth a thousand words.

### **UNDERSTANDING THE LEASE**

The most important thing the tenant must do before moving in is to thoroughly read and understand the lease agreement. It is a binding legal contract enforceable in court. A clearly written lease is the best tool to prevent disputes between landlord and tenant. If the agreement is hard to read (tiny little type or old faded copy) and comprehend, ask the property manager to explain the "legalese" in plain language. Also refer to THE LAW section of this book.

### **Verbal leases:**

Some landlords do not offer written contracts, however the following provisions of the Residential Landlord/Tenant Act still apply:

- If either party wishes to terminate the agreement, no "reason" need be given; however, "notice" is required. If rent is paid monthly, either party must notify at least 30 days before the next rent payment is due. For weekly rent, give 10 days notice.
- The same notice must be given for a rent raise.
- The landlord must make repairs and keep the unit habitable.
- Tenant is liable for damage.

**IT IS WISE TO GET ALL AGREEMENTS IN WRITING!**

### **Written Leases:**

All written leases will include the following, and be signed by both parties.

- Names of landlord and tenant
- A description of the property
- Amount and due date of rent
- Specific length of time lease is in effect

Many simple leases include only these provisions, with no extra conditions. Most agreements, however, are much more complicated.

Typical clauses found in long complicated leases may be:

**Defaults/eviction:** You may agree to pay the landlord's legal fees. **In larger complexes you might sign away your right to receive notice of eviction from the landlord.** If rent is more than 5 days late, you'll receive a letter demanding full payment in about a week. You are "presumed" to be notified of the intent to evict immediately (get a detainer warrant) if you don't meet this deadline. Your first written notice will be from an attorney demanding full payment plus fees!

**Liability:** You may waive all landlord liability for your possessions in case of flood, fire, leaks, etc. (See Renter's Insurance.)

**Automatic Renewal:** Obligates you for another term unless you give notice NOT to renew at least 30 days before the lease expires.

**Repairs:** You may be required to give written notice when you need repairs, and to pay for things you break.

**Security:** Landlord will disclaim responsibility for your safety.

**Cleaning:** You may be asked to leave the unit as clean as when you moved in, or pay for cleaning. Beware of high cleaning fees!

**"Entire Agreement":** States that there are no "oral agreements" other than what is written in the lease. Get everything in writing!

**WATCH YOUR RIGHTS!** It is advisable to avoid, revise or at least discuss these lease provisions:

**Free Access:** "Management or its agents may enter at any reasonable time." Are you sure you want this? See Access in Chapter 4.

**Waiving of Notice:** See "Default" above

**Liens:** Even though you agree that management can hold your stuff if rent isn't paid, this provision is not enforceable in court.

**Rent escalation clause:** Beware of escalation clauses. Discuss how often and how much rent raises will be. Ask if you can terminate your lease **WITHOUT CHARGE** if you can't live with the rent raise! One of the major benefits of a lease is a guaranteed rent rate. In waiving this guarantee, you give up a lot! Negotiate to strike the clause, or just say no thanks!

**Liability:** Some leases ask you to forgo your right to hold the landlord responsible for his negligence which may result in your injury.

Even though you may have "released the lessor from all claims and damages," this provision could not necessarily protect the landlord in court.

**CHECK IT OUT BEFORE YOU SIGN!** The lease and "rules" that you sign will be enforced. These documents are often too complicated and lengthy, and tenants often don't take the time to ask "May I . . ."

- change the window coverings?
- opt not to have my unit regularly sprayed for pests?
- make (specific) modifications for my disability?

- paint or wallpaper?
- work on my vehicle on premises?
- Practice my music?
- park my motorcycle, boat or R.V.?
- let my guests park here?
- add a roommate?
- put up a ceiling fan?
- decorate my balcony?
- buy a waterbed?
- install a dead-bolt lock?
- have parties at the pool?
- cook outside?
- get a cat.
- keep my kids here on weekends?
- invite my mother for 3 weeks?
- use my shop equipment, ham radio, etc.?

If you rent a private house, find out who mows the yard and how often, how to prevent frozen pipes, how to operate the furnace, what maintenance people to call in emergencies, and so on.

**FINALLY! ... before you sign and "take possession". ..**

- Know the landlord's full name (get a card).
- Know how to reach him or her by phone *and by mail*. If he/she won't give you an address, BEWARE!
- Get a signed receipt for rent and deposit. No cash!
- **Get a copy of the contract.**

- Chapter Three

# Tenant Information and Obligations

## A *GOOD* TENANT KEEPS HIS COVENANTS!

Do you always pay rent on time?

Do you and the kids take good care of your house and yard?

Do you respect your neighbor's rights?

If you rent a *place-any* place-you are legally bound to answer "yes" to these questions. When you contract with a landlord-whether verbally or in writing-you are promising (1) to pay rent on time, (2) to not damage the landlord's property, and (3) to not disturb the people who live around you. These three promises constitute your essential obligations under any rental agreement.

If you break any of these promises your landlord will begin to wonder whether you are a good tenant. You have broken the contract and he may think about getting rid of you. Remember, he looks at things from a completely different point of view than you do. He/she puts up with the hassles of landlording for one reason only-to make money from his/her investment.

If he has to fix your dishwasher every few months, it costs him. If he has to clean the parking lot because of your leaking car, it costs him. If he loses a tenant because your kids are noisy, it costs him. If he has to chase you down to get his rent payment. . . well, you get the idea. To the landlord, time is money.

A good tenant tries to understand the landlord's point of view, and honors the promises of the contract without argument or excuses.

## A WISE TENANT KEEPS COPIES!

To a landlord, renting is "strictly business." To expect anything else would be naive. So the wise renter should get serious too! Handle every aspect of renting-from the very beginning to the very end-in a **business-like fashion**.

### YOUR RENTAL FILE

When disputes arise-and you need to prove a point-there's no substitute for good documentation. Any agreements and important **communication between landlord and tenant should be in writing with a copy for your file**.

What's typically found in a Renter File?

- This book (after you've read it)
- A copy of your signed lease
- Receipt for your security deposit
- Renter's insurance policy
- Rent receipts or canceled checks
- Rules & Regulations. Don't put this away until you go over everything with the kids and post a copy in their room. The rules are an enforceable part of your agreement.
- List of damages and conditions existing when you moved in (signed by the landlord!) '.
- Copies of requests for repairs.
- Estimates and receipts for repairs you make.
- Memos, warnings and other communication from management.
- Signed agreements between you and the landlord, even on small matters such as permission to paint or put up wallpaper, or to share a particular expense, like mini-blinds. **If you trade labor for rent, put it in writing and include time frames.**
- Utility bills that show drastic or unexplainable change.
- Notes on conversations/complaints with housing agencies.

- Diary of events concerning an on-going problem such as harassment, noisy neighbors, discriminatory treatment, drug dealing in neighborhood, etc. Video and audio tapes will help support your case should it end up in court.
- Written notice (30 days) that you intend to leave the unit when your lease is up.
- Request for return of your deposit to your NEW address.
- Report on final inspection for damage (signed).
- Recommendation from landlord.

## YOUR "DUTY" TO PAY RENT ON TIME

This is the tenant's most important obligation in any rental agreement, of course. Don't treat it casually because you'll hurt your reputation as a "good tenant"! That reputation will follow you for a long time, especially when you decide to buy a house. Believe it or not, everyone will eventually want to buy their own home. Always pay by check or money order and save proof of payments.

I routinely wait for the end of the grace period to pay. Yes    No

I expect the landlord to accept partial payments or "wait until payday for the rest." Yes    No

I don't think the landlord deserves my money even though I willingly signed a contract with him. Yes    No

If I lose my job or get sick, I want the landlord to "understand" why rent is late. Yes    No

If my roommate moves out, I expect the landlord to "understand" why I can't pay the rent myself. Yes    No

I think the landlord is "mean" when he demands rent on time. Yes    No

When a personal emergency arises and there's no rent money, immature renters expect the landlord to act like MAMA and "understand." The landlord is not your friend or family! If loss of a job, health, a spouse or roommate means you can't pay rent this month, the landlord has the legal right to start eviction as soon as the grace period passes. Keep at least one months' rent in a special savings account that only *you* know about!

## **YOUR "DUTY" TO RESPECT OTHER TENANTS**

In addition to paying rent on time, tenants are obliged to behave in a way that doesn't disturb other tenants. Chief complaints are about messy or noisy neighbors, unsupervised children, and pets. Implied in every lease agreement is the landlord's guarantee of "quiet enjoyment" to all his tenants. Therefore, when he gets complaints about loud parties or trouble-making kids, he may issue a 14 day warning notice to correct the situation or be evicted. (See Notice in Chapter 4).

**DRUGS/FIGHTING:** Recently apartment complexes and public housing developments added a "drug-free addendum" to their lease. This gives landlords broad power to evict immediately (3 to 5 days) with reasonable evidence of criminal activity by tenants or their guests. Criminal activity includes threats or acts of violence as well as drug use or sale. (See Notice in Chapter 4).

**CHILDREN:** Children are the main cause of complaints from-and disputes with-neighbors. Train them early to be respectful of property and of other tenants' right to "quiet enjoyment."

It is sad when parents are evicted (sometimes repeatedly) because of children who are violent, vandalize or steal. If this behavior becomes a pattern, the child should have a psychiatric evaluation and be considered for a group home. Evidence of gang activity (even if it's your own kid) should be reported to police, or you-the parent-will pay the price. Once evicted, it is extremely difficult to find another landlord willing to rent to you.

**NOISE:** Current noise-control law is hard to enforce because it requires police to measure decibel levels. However, if someone is fighting, screaming, or playing loud music between 11 p.m. and 7 a.m., report it to police as a *disturbance of the peace* (misdemeanor), especially if the racket can be heard by many people. Other types of noise might be declared a *nuisance* by the Court if very loud and continuous; examples are machinery, dogs, motorcycles and trucks.

Use a tape recorder or video-cam to gather evidence. Keep a diary with exact times of occurrence. Find others willing to go to court with you.

**SLOBS:** People who continuously create ungodly messes that other people have to look at are usually *dysfunctional*. They do not have normal feeling reactions to what they see before them. Many of these unfortunates will never leave the Cult of Ugliness because the desire for orderliness and beauty does not rise within them naturally. Overgrown lots and sagging fences reduce everyone's property values! Contact your Neighborhood Association for advice. The Better Housing Commission should be notified of people who leave debris piled on yard or porch, or who leave rusty junkers sitting in the street. Gentle reminders from City Inspectors will help the poor wretches wake up and do something.

**MAKING COMPLAINTS:** Many complaints arise simply because of age or lifestyle differences. Older people may go to bed early and be more fearful of activity in the parking lot. Children at play make some people nervous. Tolerance is essential, especially in an apartment complex! If close living keeps you on edge, consider a retirement center, or renting a duplex or house. If another tenant regularly abuses your peace of mind, don't wait 'til you're furious to talk with them! You will have to compromise, so ask for the specific consideration most important to you ("Music off by 10 p.m.") as opposed to a general indictment ("You're too noisy!").

**Try not to drag the landlord into personal disputes with neighbors!**

It is unfair to try to make her "choose sides." However, if you can prove another tenant is continuously "interfering" with your right to enjoy your rental- and you've really tried to work it out with them yourself-then, make a written complaint (be very specific) to management and keep a copy. If a pattern of disruptive behavior is documented over a period of time, the landlord may legally terminate the offender's lease or you may sue the landlord for breaching the contract.

## **YOUR "DUTY" NOT TO DAMAGE THE PROPERTY AND TO REPORT MAINTENANCE PROBLEMS**

In any lease agreement, you have promised not to recklessly or negligently ruin the landlord's property. The law calls it "committing waste." If your family or friends knock holes in windows or screens, burn carpet or counter-tops, tear up shrubbery, damage locks or appliances, or negligently stop up toilets or drains, you are responsible for having repairs made or paying the cost. You also have a duty to report problems to management as soon as you notice them.

*TENANT TIP: Never withhold rent because of a maintenance problem. It is illegal and may result in an eviction. Report important maintenance problems right away! Call, then put the request in writing, and save a dated copy in your file. This is particularly important when water is leaking or an electrical appliance or wiring is acting strangely. Do this whether or not you are behind in rent or are having some other dispute with the landlord. It is YOUR legal responsibility to watch out for safety and health hazards! You will not have to pay for this type of system failure unless you worsen the situation by letting it go unreported.*

## **TYPICAL MAINTENANCE PROBLEMS**

### ***Frozen Pipes and Water Leaks***

Managers or tenants of a house or duplex-PAY ATTENTION! The Water Company advises that pipes that aren't buried at least 18 inches underground may crack in sub-freezing temperatures. And just because the pipes didn't blow the first time it falls below 20 degrees, doesn't mean you'll be safe the next time! **The frost line depth drops more each time temperatures fall into the teens.**

The tenant may be held liable for burst pipes if he was negligent in taking proper precautions, particularly if the landlord warned him to. It's simple: let a small stream of water (the size of a pencil lead) trickle from the faucet located highest in your home. Running water will not freeze.

The landlord should make sure that pipes are insulated, and that drafty cracks in the basement are plugged so that it's snug. Outside faucets should be turned off and drained, and wrapped with newspaper or other insulating material.

### ***High Water Bills***

When a tenant suddenly receives a huge water bill, the Water Company says "95% of the time, it's the commode." Well OK, the *toilet*. Bills can mount up very fast, and you won't hear anything but a click when it turns on. Flush 25 times in a row to see if it "hangs up" occasionally because of a worn overflow valve. Sometimes reduced water pressure is your first clue that water may be leaking.

Immediately report to the landlord in writing and be sure to *date* the note and make a copy! He will get right on it if he's providing the water, but if the bill is in your name, he may not be in a hurry. It depends on his ethics and character. Of course, if you don't report leaks right away, don't expect the landlord to share responsibility for high bills!

The Water Company holds the tenant responsible for all bills when the service is in his name. Their policy is standard for everyone unfortunate enough to be in this double bind: they will only adjust one time in any 12-month period, though that adjustment can be of the two highest bills. They are firm that:

- The leak must be hidden-undetectable by sight or sound.
- The leak must be repaired. Landlord must sign a statement of work done.
- With this evidence, the water company will reduce excess water and sewer charges on 2 bills by 50%.

### ***Septic Tank Problems***

Call the Hamilton County Environmental Health Dept. if you experience sewage back-up or stinking seepage in the yard. Of course, report it to the landlord and give him a reasonable time to accomplish this expensive job before filing a complaint against him.

### ***Cosmetic Improvements***

Landlords are not required to redecorate, as long as conditions don't threaten health or safety. Your carpet may get shabby and your walls may need paint, but you do not have a "right" to demand new counter-tops, linoleum or replacement of other items that are beat up but still work. If rent hasn't been raised in a few years, you may want to carpet or paint at your own expense (get permission). If rent goes up regularly but your unit is going down, a neglectful landlord may be taking advantage of you. Don't get psychologically "stuck" in one place, or you'll be open to abuse. Be willing to spend your rental dollars elsewhere!

Some long-term renters are "taken for granted." . . . especially the elderly and disabled. Landlords know they can't easily move, and thus may let the unit deteriorate to a depressing condition. (See Better Housing Commission in Chapter Four.)

### ***Heat n' Air***

Landlords in the City of Chattanooga are only required to provide a way to *connect* a heat source. If heating is supplied, it must heat occupied rooms to 68 degrees (when measured 3 feet off the floor). If the unit came with an air conditioner, the landlord must keep it (and any other appliances that he furnishes) in good working order. If heat costs are high because of air leaks and poor insulation, you cannot force the landlord to make improvements. When it comes to energy costs. . . Let The Renter Beware! Tell the landlord about Rental Rehab loans through Chattanooga Neighborhood Enterprise at 2 % interest. He can spend up to \$14,000 per unit for modernization and energy efficiency. The City's Dept. of Human Services offers a Weatherization Program for low-income renters which pays for insulation, storm windows, some structural improvements and labor. Landlord approval is required.

## **LATE FEES AND RENT RAISES**

**LATE FEES:** By law you have a 5-day "grace period" after the due date to pay rent. On the 6th day your landlord can decline your rent payment and evict you for defaulting on the contract. Late charges can't exceed 10% of the monthly rent (a lot of money to waste!) and are due immediately.

**RENT RAISE:** Most leases "lock in" the rental amount for the duration of the contract. However, some leases contain an "escalation clause" that allows for rent raises if 30 days' notice is given in writing. Rent cannot be raised during the term of the lease without this specific clause. In the future, avoid leases with this provision!

If your lease states that rent will be raised if taxes, utilities, or insurance premiums go up, the percent of your raise should not be more than the percent of leaseable space that you occupy. For example, if management wants to charge you for 10% of the insurance/tax increase, then your unit should equal 10% of the total complex. If you only occupy 2% of the space, the landlord may be seeking a "windfall." You may be able to fight this provision in court, especially with a class action suit.

**REFUSAL OF RENT:** Tenants are often confused when landlords refuse to accept late rent. The landlord has probably already filed suit to collect back rent, and acceptance of rent may interfere with the process of eviction that is underway. Landlords may also refuse partial payments of rent. Document these attempts to pay and show dates to the judge at your eviction hearing. Show that you still have the money in your checking account and can pay it on court day.

**PRORATED RENT:** If you occupy the unit for only part of a month, rent will be charged "per diem," or by each day. Divide the monthly rent by 30 (days) to find your daily rate.

## "LIVING TOGETHER"

Young couples often make a hasty decision to move in together. Two months into the lease, the boyfriend quits his job or the girlfriend just says "bye-bye." One of them is stuck with a place they can't afford, and probably an eviction lawsuit as well. (See also *Roommates* in Chapter One.)

### **Don't be blind-sided by love!**

- If you invite your girl/boyfriend to move in, make sure it's agreed to by the landlord in writing. Otherwise, the "unauthorized occupant" could be cause for your eviction.
- Be cautious about moving into your lover's apartment unless he/she adds you to the lease. Otherwise, when love goes bad, your best old ex-friend could throw you on the street. Neither the landlord nor the law could help you.
- If you want to move in with someone, the landlord has the right to hold you to the same qualifying standards as other tenants, and to check your credit, etc. He/she may refuse to add you to the lease or to let you move in, especially if the existing lease prohibits it.
- Occasionally a landlord may refuse to rent to a couple because they are unmarried. Court cases have shown that this is not considered "discrimination" under the Fair Housing Act.

*Tenant Tip: Every roommate should sign the lease. This will ensure EQUAL RESPONSIBILITY for rent, costs of damage or early termination, and EQUAL RIGHTS to possession and notice. "Equal responsibility" means all parties could be sued for the entire rent or damage. It does not mean that each roommate pays an equal share! "Equal rights" means that all who sign the lease can live there, no matter who, pays the rent. The landlord will not play referee when roommates argue about who pays what share.*

## RENTER'S INSURANCE

If your possessions are lost or damaged because of theft, lightning, fire, water or other accident, the *landlord's insurance policy will not cover your loss*. If your guest falls down the stairs of your rental house, you could be held liable for injuries.

Surprisingly, many renters are uninsured and vulnerable. Theft can happen anywhere at any time. Just add up the cost of the items in one room: clothes, computer, stereo, TV, jewelry, bicycle, and furniture. You may be surprised at how much you have invested. Protect yourself with a renter's policy, and keep an updated inventory of serial numbers, purchase dates, receipts and photos of expensive items. Stash these papers with a friend.

**Some leases may require you to carry renter's insurance.**

A typical policy pays up to \$10,000 on the contents of your rental, and \$100,000 in liability for medical costs in case of an accident. You can choose an "actual cash value" policy (original price minus depreciation), or "replacement coverage" which costs about 15% more. Deductibles can start as low as \$100, but the higher the deductible the lower your premium.

**At \$100 to \$150 a year, renter's insurance is a good deal and a very good idea.**

You may need additional coverage for valuables such as furs, jewelry, antiques, guns or computers, but it won't cost much more. Damage from flooding may or may not be covered. Find out! All roommates should be on one policy.

To get a quote, check the yellow pages under "independent insurers."

***TENANT TIP: Call your auto insurer first. If you buy renter's insurance from the same company, you may get a discount.***

## Chapter Four

# THE LAW

Disagreements often arise between tenants and landlords because of a lack of understanding of law and of the rights and responsibilities of both parties. They may end up in court because communication has stopped entirely. It is hoped that the following synopsis of the *Uniform Residential Landlord/tenant Act of Tennessee* will help settle disputes in a rational fashion without the necessity of litigation. On the other hand, people should not shy away from hiring an attorney when a clear-cut case of bad faith warrants it. Many times the plaintiff-whether tenant or landlord-can collect his attorneys fees and court costs from the other party as part of "damages".

This chapter is a simple explanation of basic law; it is not meant to be legal advice. A copy of the Act can be found in the public library in the Tennessee Code Annotated, beginning at Section 66-28-101. The Act pertains only to Bradley, Hamilton, Davidson, Knox and Shelby counties. The *Chattanooga Housing Code* is also included in this chapter.

For information on the *Federal Fair Housing Act* barring discrimination, see Chapter One.

## THE BASIC COVENANTS

The Landlord/Tenant Act deals with promises and obligations and is based on fairness and reasonableness.

Implied in any lease agreement are the landlord's promises to provide "quiet enjoyment" (non-interference with the tenant's peace of mind) and a "habitable" dwelling that is maintained in a fit and safe condition.

The tenant's basic promises are to pay rent on time, to take care of the property and to make "proper use of the premises" including obeying rules and not bothering other tenants.

If either party fails to live up to these fundamental covenants, the contract is "breached" (broken), and the injured party may have the right to sue.

## ACCESS TO THE UNIT

Tennessee law strictly limits the landlord's right to enter the tenant's unit without permission, but the law is frequently abused. A landlord may enter without permission in case of emergency, such as a suspected fire, or to make urgent repairs affecting the safety of his tenants. He may also enter without permission in the event of the tenant's extended unexplained absence (see Abandonment in Ch. 4.)

Some leases ask tenants to grant "free access" in advance so that the landlord or others may enter unannounced for pest control, maintenance, or inspection. Even though one may have signed a lease with a "free access" provision, it is not enforceable in court. Landlords cannot make tenants waive privacy rights guaranteed in the Landlord/tenant Act. They must have consent to enter to repair, supply services, inspect or exhibit the premises unless they can prove "circumstances demanding immediate action"(TCA 66-28-403(b)). Public and subsidized housing are exceptions.

However, a tenant may not "unreasonably withhold" permission! All parties must be "reasonable" in agreeing on a time. Trouble often arises when the rental house is for sale, and the tenants feel harassed when the landlord or real estate agent wants to show the house in the evening or when the tenant is at work. Landlords and agents must give notice and make appointments; they cannot come and go at will, or just announce when they are coming.

A landlord who repeatedly barges in unannounced has broken the promise of "quiet enjoyment" implied in all rental agreements. With proper documentation, the tenant may sue for breach of contract and "trespassing".

In no case may the tenant change locks without permission from the landlord. The owner/manager must be provided with keys to all locks installed by the tenant, including those on garages and storage areas. Locking the landlord out is certainly grounds for eviction!

## **MAINTENANCE AND REPAIRS**

Poor maintenance is one of the chief complaints of tenants. Sometimes they withhold rent in an attempt to force the landlord to make repairs. Usually this tactic results in an eviction notice. The court does not regard poor maintenance as a reason to withhold rent, even if it is escrowed. The landlord guarantees that the unit is livable when he signs a lease agreement. It's one of the basic "covenants," or promises, that he legally must make to tenants. This "warrant of habitability" protects tenants from serious maintenance problems (see Chapter Three). For smaller breakdowns, tenants should. . .

### **. . . GET REPAIRS THE RIGHT WAY!**

- Call the landlord (be cordial, not crabby!) to discuss the problem and determine the day/time he'll (a) **call you back** or (b) **send someone over**. If you created the problem, you probably will have to pay to have it fixed, but it is important to report the situation to the manager as soon as possible.
- Immediately send a note summarizing your phone conversation and describing the problem. Be sure the note is DATED... and keep a copy. This "written notice" is the legal key that guarantee that your options and rights will remain open in the future.
- If the landlord gets back to you at the appointed time, the repairs will probably be made. Relax and be patient. It will take time to schedule a plumber, order the part, etc. The law states that he must do the repair within a "reasonable time."
- What is "reasonable time"? It could be 2 days for a plugged-up toilet, or 2 months for a leaky roof it all depends on the situation! A landlord who intends to fix the problem will communicate, not go into hiding! If the landlord ignores you, keep a diary of phone calls and events pertaining to the problem.

- If a reasonable time has passed and the landlord hasn't acted in good faith, you may want to call the Housing Info Line or the Fair \ Housing Office for advice. Under certain conditions, the Landlord Tenant Act gives you the right to (1) get and save several estimates, (2) pay for the repair yourself, and (3) deduct the cost from your rent. However it is best to let your landlord know in advance that you intend to do this. He/she may not even be aware that you have this right! He/she may be happy to have you take care of it. Generally, if you broke it, you will pay for it anyway. If it just "wore out", the landlord should pay.

### **ESSENTIAL SERVICES**

The right to pay for repairs and deduct from rent is guaranteed only when "essential services" have been interrupted. This is a somewhat vague area of law, but certainly heat, water, gas, hot water, and a working toilet are deemed essential. A working stove, refrigerator, air conditioner and locks are arguably "essential". If you report a problem in writing and it's not fixed within a reasonable time, you may.

- Pay for the repair yourself and deduct from rent, or .
- Move to a hotel or other rental and recover costs from the landlord, or
- Stay in the unit and ask (or sue) the landlord to reduce rent based on "loss of use" or "reduced value".

### **SAVE ALL CONVERSATIONS AND DOCUMENTATION!**

### **YOU GET WHAT YOU PAY FOR!**

Tenants who obsessively complain often don't have their lease renewed. Make small repairs yourself, especially if you don't live in a complex with a full-time maintenance man. Occasionally let the landlord know that you changed the furnace filter or fixed the screen door. He may be less likely to raise rent if you keep an eye on things and don't bother him. Remember, there are two types of tenants, those the landlord wants to get rid of. . . and those he wants to keep. **In lower-cost rentals, it is unrealistic to expect the same level of upkeep and supervision found in more expensive units.**

**Even though the Housing Code and the Landlord/Tenant Act apply to all landlords equally, the amount of rent you pay often is an indicator of the effort the landlord will make to keep up the property.**

### **CHATTANOOGA HOUSING CODE AND THE BETTER HOUSING COMMISSION**

Each housing unit in the city should meet health and safety standards set forth in ordinances governing plumbing, electrical and structural conditions. The Better Housing Commission enforces this code within city limits. Unfortunately, unincorporated areas in Hamilton County do not have a code or enforcement agency for substandard housing. Rural tenants must rely on provisions in the Landlord/Tenant Act.

Call an inspector only after you've written the landlord about serious dilapidation such as a rotting floor, or when he won't respond to a safety or health threat such as faulty wiring, plumbing, or sewer problems. The inspector will give the landlord a reasonable time to remedy a list of specific code violations. If this fails, the landlord may be cited to court and fined. Remember though, you may have to move on very short notice (10 days!) if the property is condemned or if repairs are substantial.

"Retaliatory Eviction" is illegal, but landlords can find ways to make tenants "pay" for reporting violations. The best time to file a complaint is after you've found another place to live, and just before vacating his unit. You may save the next tenant some pain. But... never think that you can avoid paying rent by reporting your landlord to an agency!

#### **SOME CODE PROVISIONS FOLLOW:**

- Safe & adequate wiring and electrical system
- Free-flowing water throughout plumbing system

- At least one window per room
- Hot & cold potable water
- Properly installed shower or tub
- At least 2 electrical outlets per room
- Porches, balconies and every stair in safe condition
- Sound roof which doesn't admit rain or dampness
- Safe solid walls, floors, ceilings, roofs
- Structure substantially rodent-proof
- One smoke detector per floor
- Safe lighted entryways and halls
- Weather tight walls and windows
- Operable locks on all doors and windows

## **RETALIATORY EVICTION**

It is a violation of law when the landlord tries to punish the tenant for asserting his/her legal rights. If an angry owner tries to throw the tenant out, or suddenly imposes a rent raise or restrictions, or reduces services in some way, the tenant should keep a diary of dates of these events. A court of law may recognize that these acts are in retaliation for "seeking remedies granted to you by law." People with leases have much better protection than those with month-to-month tenancies which can be terminated at will. (Also see Eviction in Chapter Four.)

## **UNDER THE ORDINANCE THE OCCUPANT MUST:**

- Set garbage on the curb the evening before pick-up, not earlier! CANS CANNOT SET OUT MORE THAN 12 HOURS.
- Keep the unit free from dirt, garbage, rodent and vermin.
- Keep plumbing (toilets, drains, sinks, dishwashers, etc.) free from obstruction.
- Keep the smoke detector in working order.

If your neighbor routinely sets garbage on the curb more than 12 hours before pick-up, call the Better Housing Commission.

## **YOUR DAMAGE DEPOSIT. . . YOUR DAMAGE**

One of the promises that you make when you rent an apartment or a house is not to damage it, either deliberately or out of inattention and neglect. To do so could be cause for eviction and lawsuit.

Most landlords require a security or damage deposit-often in the amount of an extra month's rent-to cover potential damage to the unit. Get a signed and dated receipt for your deposit, and be sure it is written into your lease. Tennessee law requires the landlord to tell you where this money is banked in a special "escrow" account. If you, your children, and guests take good care of the unit, the hallways, and other common areas, you are entitled to return of this deposit, even if you live there for many years.

If the landlord sells the building, your lease will remain in effect and the damage deposit should be transferred to the new owner. Stay on top of things. Ask in writing if the new owner will take possession of the escrow account. Make a dated note of the response for your file. Both owners can be held jointly liable if you must sue to recover the deposit.

If you break your lease you will probably forfeit your deposit. Even if you notify the landlord and leave your place spotless, leaving before your term is up will cost you. Read your lease carefully! Pet and cleaning *fees* are non-refundable regardless of damage.

<p><b>LANDLORDS MUST ESTIMATE THE COST OF EACH ITEM FOR WHICH YOU ARE BEING CHARGED BEFORE THEY CAN KEEP YOUR MONEY. IT'S THE LAW!</b></p>
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## WHAT IS DAMAGE. . . AND WHAT IS NOT

Tennessee law specifies that the tenant is responsible for damage to the unit, but is not responsible for "normal wear and tear." This gray area is where many disputes arise. Sometimes it is hard to tell the difference. The landlord definitely should not deduct from your deposit for cleaning or repainting (unless your lease says so) or for ordinary repairs such as loose hinges, leaky faucets or minor scratches or spots.

Landlords (and judges, if it winds up in court) look at both the extent and the cause of the damage. If you were so careless or neglectful that you caused or aggravated the problem, you'll probably pay for it. Also, if you violated specific lease provisions regarding certain damages (such as nail holes), they are likely to be deemed "damage".

Generally, landlords with new or well-maintained units will be more particular about the way you treat their property. They notice the little things, and are very sensitive about the cost of repairs. Expect to be charged accordingly.

<p><b>ABUSE DOES NOT MEAN ORDINARY WEAR AND TEAR RESULTING FROM NORMAL USE!!</b></p>
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*Tenant tip: If the landlord doesn't inspect within three business days of your vacating the unit (turning in the keys), he must-by law-refund your entire deposit. He will have to sue you later for damages. (Tennessee law effective July 1997.) .*

*Tenant tip: When you first move in, make a list of existing conditions and damages and ask the landlord to sign it. Less professional landlords may not be accustomed to this procedure and become defensive, so be cordial and show him/her this section of the book. He knows it's good business to record or photograph conditions for which you may later be held liable.*

#### EXAMPLES OF **WEAR AND TEAR:**

- Minor scratches & dulled finish on cabinets or woodwork
- Slightly dirty or rubbed wallpaper, window or light covers
- Linoleum or carpet faded, worn spots, loose at edges, minor scrapes and spots (depends totally on age and" quality!)
- Enamel on fixtures or tile is slightly scratched, rusty or stained; grout is loose; worn out switches; minor leaks
- Nail holes, tape marks, or cracks in wall from settling
- Oven or refrigerator slightly discolored
- Partially clogged sink due to aging pipes

#### EXAMPLES OF **DAMAGE:**

- Missing doors or handles; split wood, gouges, burns, noticeable and unsightly stains and scratches
- Unauthorized wallpaper or paint color; crayon markings, ruined paper, missing or broken blinds
- Pet urine, fleas, stench, holes, un-removable stains, burns
- Holes and chips in enamel, bent rods, missing parts or tiles, broken mirror, cabinet or lights
- Large holes in walls, doors; broken windows and screens; missing fixtures & furnishings
- Oven heavily encrusted; fridge moldy & smelly
- Toilets clogged from improper flushing

Rotting wood frames or flooring is generally the landlord's problem, but if the damage occurred because you were careless in closing the shower curtain or window, or didn't report leakage under the toilet or sink, you may have created a very expensive repair for the landlord and will probably be sued for costs over and above your deposit.

The Landlord Tenant Act is clear about the steps both you and the landlord should take when you move out and want your deposit back. (See "Leaving Your Rental" in this chapter.) **Within 3 business days after you move out, the landlord is required by law to give or mail you a "comprehensive" list of the damages you created, and an estimated repair cost for each one that he is charging against your deposit.** If possible, inspect the unit with the landlord to ascertain the accuracy of the list. It is wise that you agree to take care of this as soon as possible. After cleaning and repairs begin it will be difficult to determine fault.

***TENANT TIP.. If you move before the final inspection takes place, be sure to let the landlord know in writing where to send the damage list and refund (keep a you-know-what). If he can't find you at your "last known address", he may lawfully keep your deposit.***

The landlord will ask you to sign the list of damages. If you disagree with certain items, negotiate calmly. If you absolutely can't come to agreement, you may (1) refuse to sign it (2) ask for a copy and a Statement of Dissent form. Write one up yourself if the landlord doesn't know what you are talking about. **Landlords sometimes assume that the deposit is theirs to keep regardless of careful use.** This is thievery and you should take the matter to General Sessions Court yourself or with an attorney. Both parties might agree to have the issue mediated by the Better Business Bureau and save on legal costs. Your claim in court will be limited to the *exact items* you listed in your Statement of Dissent, so don't go to the trouble to sue unless you have "move-in" and "move-out" condition lists and the landlord has charged you for lots of wear-and-tear items or for expensive items that you can prove you didn't damage. Your documentation/photo file will serve you well if you must take the landlord to court to get what is due you.

**CLEANLINESS:** Read your lease! Some contracts demand that you leave the unit in the same condition that you *found* it or pay to restore it. This may include cleaning the carpet, all drawers, shelves, oven, tub, windows and blinds. If cleaning costs are charged against your deposit, they must be itemized.

**WARNING:** Many smaller landlords either don't know about or don't obey prescribed law regarding damage (security) deposits. Ask other tenants who are leaving whether they've been fairly charged and received their money within 30 days. If your landlord has a reputation *for* dishonesty, you might decide to subtract the amount of your deposit *from* your last month's rent, even though leases often prohibit this. Be ruthlessly honest in assessing your own destruction-and motives- before you do this. You can't avoid paying *for* damages this way because the landlord can always sue you later.

### LEAVING YOUR RENTAL

When the time comes to end the relationship with your landlord, keep in mind how important his reference will be when you rent again or try to buy a house. Never just abandon the property!

1. Clean the place up and leave the unit as you found it.
2. Turn in the keys; otherwise the landlord can claim no knowledge of the vacancy and may continue to charge rent.
3. Arrange for a damage inspection within three days after you leave.
4. Leave a forwarding address for return of your deposit.

#### **At the End of a Lease Term:**

You are required to give the landlord 30 days notice in writing if you don't intend to renew the lease. This will prevent "automatic renewal" which is a provision of some leases. If you've had an agreeable experience, you might ask for a written reference on your landlord's letterhead.

### **Early termination of a lease:**

If you must leave before the lease is up, your lease will usually stipulate the amount you must pay to "buyout" the contract-usually one or two months' extra rent and forfeiture of your deposit. The landlord will hold you to this agreement. Sometimes tenants aren't able to pay this early termination fee and they leave without making financial arrangements. Landlords will often sue to recover the debt, and may wait up to a year to file.

If you've rented the unit for at least a year, some landlords will void your lease without charge for "good cause" such as illness or death, marriage, out-of-town job or home buying. Negotiate early and get promises in writing.

The landlord might agree to let you sub-let the apartment to another tenant (provisions are sometimes included in the lease), but the damage deposit is usually forfeited. Terms of this agreement should be written, and clearly show whether the original tenant remains responsible for any part of the rent if the sub-lessor doesn't work out.

### **Accidental termination:**

If a tenant can no longer live in the unit because of fire or other damage, he/she should turn in the keys and notify the landlord within 14 days-in writing-of his intent to terminate the lease. Keep copies! If these steps are taken, the landlord is required to return deposits and adjust rent from the date of the casualty. This is known as "constructive eviction" under the law.

### **Abandonment: Liens on Property**

The Landlord/tenant Act requires that tenants notify the landlord when leaving the unit for more than seven consecutive days. If the tenant is absent "in excess of 7 days" without explanation-and if the landlord has solid evidence (witnesses, utilities shut off, *etc.*) that supports his "reasonable conclusion" that the tenant has walked off-he may enter the unit to determine whether it's "abandoned". If abandonment is obvious, he can re-rent the unit without any court action.

In the absence of good evidence, the landlord must wait 30 days and miss a rent payment before he can presume that the tenant isn't coming back. If the tenant's possessions are left behind, the landlord must safely store them for 30 days, and then may sell them and keep whatever money is owed. Any excess must be held for the tenant for 6 months.

Regardless of lien provisions in some leases, the landlord may dispose of the ex -*tenant's stuff only after he has filed a UCC-1 lien with the State.*

Whatever you do . . . **DON'T GET EVICTED!**

It's expensive. . . it's traumatic. . . and the consequences can haunt you for years.

Here's a typical situation: Al is late with rent-again. Landlord, who depends on rental payments to make his mortgage payment, gives a 30 day notice to move out. Instead of packing up his stuff and finding friends to stay with, Al goes into a state of "denial" thinking it will go away like a bad dream.

Thirty days pass. Al's still there and owes another month's rent. Landlord files suit to repossess the unit and recover what he owes. On court day, the Judge asks Al to pay \$800 in back rent, \$80 late fees, and \$300 for the landlord's court and attorney fees. Al doesn't have the \$1180, of course, so it is reported to the credit bureau, a red flag to all future landlords that Al is "a bad tenant".

Ten days later the landlord and sheriff show up and throw Al's stuff in the street. Passers-by hover like vultures when they spot his cds and glad rags in the gutter.

The landlord goes back to court to garnishee Al's wages and he's fired as a result.

Yes, it's a real sad story. . . and it happens every day.

## THE EVICTION PROCESS

Because of competition for affordable rentals, the trend in the last few years has been to evict quickly. The landlord knows he can easily re-rent the unit. If you can't fulfill the conditions of your lease, don't expect the landlord to be as lenient as in the past.

***TENANT TIP: Do all in your power to avoid eviction! Keep an extra month's rent stashed in a safe place for emergencies. If you know rent will be late, communicate early! You might offer a partial payment along with a Promissory Note stating the exact date(s) you intend to pay the rest. If you're lucky, your landlord may delay filing a Detainer Warrant. Then pay as promised or you're history!***

The 4-step process described on the next page usually begins when the tenant fails to pay rent on time or breaks some other provision in the lease or rules. All landlords in the Hamilton County must follow these steps! Usually the best thing is to get out within 30 days and avoid some of the attorney fees. Put your stuff in storage and move in with friends or relatives until you can get back on your feet. City or County Human Services might pay one month's rent if you prove you can pay the following month.

During the eviction process the landlord cannot:

- Lock you out
- Cut off utilities
- Remove appliances
- Throw you or your stuff out
- Threaten to harm your person or possessions

If this happens, **call the police and get a copy of the report.** Make an appointment with Legal Services or another attorney. Keep a record of all events.

## ACTION

## TIME FRAME

1. Landlord gives Written Notice to “Quit the Premises” by a certain date. If you don’t leave by then, the formal court process will begin. (See section on Notice in this chapter.)

At least 30 days if you pay monthly; at least 10 days if you pay weekly; or as otherwise stated in your lease (did you sign away your right to receive notice?)

2. If you’re not out when the notice time is up. The landlord may take you to court to regain possession of the property and to collect back rent. The judge will issue a Detainer Warrant which is delivered to your home or job. This is a legal eviction notice (not an arrest warrant) which shows where and when to appear in court. Even if you catch up on rent, it’s probably too late to stop the process.

Sessions Court date is usually 2 weeks after receiving warrant. It must be at least 6 days later.

3. Whether or not you show up on the Court Date, the judge orders that you vacate the unit and pay all back rent, court costs, and attorney fees. If you don’t have the money, this “judgment” is recorded later on your credit report, and the landlord may garnishee your wages (see Court Day and Garnishment)

Judge gives final 10 day order to be out.

4. The landlord gets a Writ of Possession to put your stuff on the street and lock the place up. He’s fed up with the hassle. Your reference from him is shot.

Could be the 11<sup>th</sup> day following court date.

## EVICTION NOTICES MAY VARY

The type of eviction notice you receive depends on the type of lease violation. **Notice must always be in writing** and delivered to you or another adult in the house. **If it is sent by certified mail-and you fail to sign for it-it is still considered legally "delivered."**

**TYPE: Cancellation of a month-to-month tenancy.** Where there is no lease agreement, a "reason" is not necessary for termination. There may or may not be any violation of your agreement on your part.

**TERM:** At least 30 days before the next date that rent is due. In many cases this may require more than a 30 day notice. For example: if rent is due on May 1, and you receive your notice on April 20, your final day to be out should be May 30th.

**TYPE: Late rent paid on a monthly basis.** Note: you may have a grace period of a few days written into your lease. Notice can be delivered immediately after the grace period ends.

**TERM:** Thirty days unless otherwise stated in your lease. Some larger complexes may use lease language that waives your right to 30 days' written notice. You are presumed "notified" of a pending eviction whenever rent is late. You may get a "demand for full payment" with a due date. After that, you will get a detainer warrant or a letter from an attorney (with legal fees added).

**TYPE: Late rent paid on a weekly basis.**

**TERM:** 10 days notice.

**TYPE: Some rule of the lease is broken (other than late rent).** This could include noise, unauthorized guests, parking, negligent damage or other violation, which should be stated in the notice.

**TERM:** This is a warning notice. You are given 14 days to correct the situation, but if it happens again within 6 months, you can be evicted with one more 14-day notice.

**TYPE: Tenant threatens safety or welfare of other tenants or their property.** This could include theft, vandalism, drunk driving, fighting, out-of-control guests, or other acts or threats of violence.

**TERM:** When serious breakdown occurs, only 3 days notice is required (T.C.A. 66-28-517). There must be a witness to the violation.

**Remember: you are legally responsible for the behavior of your friends and children.** If the landlord has to call the police, you might, lose your lease.

**TYPE: Sale of narcotics or prostitution on premises** (law went into effect July 1997 as the Crack House Bill).

**TERM:** If neighbors present good evidence of drug dealing or prostitution at a certain address to the District Attorney, he can order the landlord to give you a 10-day eviction notice.

## COURT DAY

### **BE THERE!**

The detainer warrant will show time and place. Show up on time and plan to spend about 3 hours because the docket may be full. If *you* don't show, the landlord can automatically be granted whatever rent he claims *you* owe. Be in court (even though *you* may know you'll lose) with rent receipts-especially *for* any rent you've paid since receiving the notice of eviction.

### **BE SQUARE!**

Guys. . . lose the baseball cap! Wear a suit or jacket and tie. Put the long hair in a pony tail. Let's face it, courts are mainstream System. Your appearance tells the Judge whether *you* take the situation seriously or not. Women should wear conservative business clothes and avoid a sexy image.

### **BE PREPARED!**

The Judge will ask a *few* questions. Listen! Then answer directly and submit *your* documentation. Don't vent *your* spleen or try to list all the misdeeds of the landlord. Stay with the issue at hand and get to the point! If *you're* in court because *you* haven't paid rent, don't choose that time to talk about poor maintenance, unless you've followed the law in paying *for* repairs yourself (see *Maintenance* in this chapter). Repair problems are not a legal reason to withhold rent unless the unit is truly uninhabitable. Practice beforehand if *you* want to bring important new information to the proceeding. Make *your* points briefly and clearly and look the judge in the eye.

### **BE AWARE!**

Like it or not, *you're* in the presence of POWER. Be respectful and be humble. "Attitude" will get you nowhere fast! The judge has heard a million cases and all the excuses and sob stories too. He got where he is because he's very quick and perceptive. He will know by the organized way *you* present yourself if *your* story is worth listening to. You will prejudice the court against you if you become loud, whiny or argumentative, or if your story is hard to understand.

## **JUDGMENT / GARNISHMENT**

You will have 10 business days after your court date to pay the amount awarded by the court to the landlord. This may include back rent, late fees (not to exceed 10% of rent owed), cost of damages (if it exceeds your deposit), and at least one-third of the landlord's attorney fee and court costs (which usually add another \$250 or so to your bill).

If the judgment isn't satisfied, the landlord can garnishee your wages, which means he has the right to have your employer deduct the amount of the judgment from your paycheck. Some employers will fire an employee if this happens.

### **Payment Plan to Avoid Garnishment**

If you don't have the money to satisfy the judgment, ask the clerk of General Sessions Court to file a motion to make affordable payments to the court at regular intervals. You must sign an affidavit swearing that you are unable to pay by other means. You'll need to show proof of income (recent paycheck stub) and a list of monthly bills as proof of poverty. If this motion is granted, your wages won't be garnisheed as long as you make payments as promised.

## **THE RIGHT TO APPEAL**

Seldom does a tenant have grounds-or the means-to appeal an eviction, but if you have good documentation that your rights were violated, you can file an appeal within 10 days of the Judge's decision.

Grounds for appeal might be:

- You are subject to retaliatory eviction.

- You have received a 3-day notice and you know the landlord is using it improperly.
- You failed to receive proper notice.
- You see a pattern of discrimination against minorities, disabled people (including AIDS), women with children, or religious groups.
- A new owner is not honoring your lease agreement that he inherited when he bought your building.
- The landlord is evicting you for personal reasons rather than lease violations. You must have witnesses and documentation.

Don't waste time and money on an appeal if your rent is behind or if the landlord can show a history of complaints about you. If you appeal for "lack of proper notice," it will be very hard to prove that you didn't get it unless you can show a pattern of the same behavior with other tenants. You need witnesses for all allegations. Get your case together!

You can go to the General Sessions Court Clerk's Office and file the appeal yourself, but it's best to get a lawyer. An appeal will not allow you to stay in the unit longer unless it's a special situation handled by a lawyer. The Judge will embarrass anyone filing a "frivolous" appeal in an attempt to foil the system!

Note: To appeal both the judgment and the right to stay in the property, the tenant must post a cash Appeal Bond equal to one year's rent. If the tenant loses the appeal, the whole debt (back rent, damages, and court costs) will be subtracted from the bond:

If the tenant is willing to move out but is protesting the money judgment, and is unable to post a cash bond because of "poverty," he may sign a Pauper's Oath in lieu of an Appeal Bond and swear that he is "justly entitled" to seek relief from the judgment of the court.

## Chapter Five:

### GETTING READY TO BUY A HOUSE

Sooner or later you'll get the "buying bug." It may hit you suddenly and you'll wish you'd done some advance planning. **Renters should do these things to prepare for qualifying for a loan:**

- Open a special savings account for your down payment. If you buy inside the city limits through Chattanooga Neighborhood Enterprise, you'll need \$850 in savings. Aim for \$1200. Lenders look for a pattern of *regular* deposits and few withdrawals.
- Get a copy of your credit report and make written arrangements to payoff collection accounts. Stick with your agreement! You can't make a mortgage loan otherwise.
- Make rent payments on time because the lender will check with your landlords. Pay by check or money order and save receipts.
- Pay bills on time. Show no "slow pays" for at least a year.
- Stick with that job! Most lenders require two years in the same job or field.
- Reduce debt! Payments on borrowed money should take no more than 12% of your gross monthly income, no matter how much you make.
- Raise household income to at least \$15,000 per year. Income from part-time jobs or child support will be counted if it's been regular for two years.
- Don't bankrupt! See the Consumer Credit Counseling Service for debt management help. Bankruptcy is a formidable barrier to home ownership unless it was occasioned by a medical disaster!
- Call the Housing Info Line for a confidential counseling session by phone. At the time this book was published, the interest rate on mortgage loans was at its lowest point in thirty years. **With rent rates escalating in this area, it just makes sense for most families to "own their own"!**

## **CHAPTER SIX**

### **FOR LANDLORDS: MAKING YOUR BUSINESS PAY!**

Landlords take a lot of unfair flak, criticism and stereotyping. Amid all the "bad press," the community often forgets what an important asset you are in providing an absolutely essential service! And nobody does it better-certainly not government.

Some days you probably want to throw in your cape and get out of the dang business, but then you stop and think about the people depending on you for a roof over their head, even those who never say "thanks."

### **WHERE WOULD 28,000 CHATTANOOGANS BE WITHOUT THEIR LANDLORDS?**

Managing both buildings and people at the same time is hard work. So what else is new? Hopefully these tips will help make it all worthwhile. Read them all, particularly if you are new to landlording or if you only manage a few properties. We guarantee you'll get some ideas to help you make money-or at least save some!

A wise landlord, large or small, will review *Rentwise!* thoroughly, because his tenants surely will.

**PETS:** They sometimes cause problems, but half of American families include a dog or cat. Advertise that you accept pets, and you'll have no trouble getting the rent you want. Ask for an extra pet deposit and/or fee, and consider adding "pet rent" to the monthly bill. A standard pet policy is essential and age of pet important. For example, "Dogs-maximum of one, under 50 pounds, at least 9 months old, no fighting breeds, spayed or neutered." "Cats-maximum 2, neutered, at least 3 months old."

**EXTRA TENANTS:** You have no responsibility whatever to persons who move in with the lessee, but who aren't on the lease. Do not collect rent or deal with them regarding the unit. They are not the "legally responsible party"! Things get messy when you accept money from someone other than the person you contracted with. You can add them to the lease, but then the original tenant cannot make them leave. You can get rid of "unauthorized occupants" by threatening to evict the tenant, or using the Trespass law.

## **GOOD RELATIONSHIPS**

**INSURANCE:** Litigants will show no mercy when they go after your assets. If you own income property, you have special insurance needs and need a good advisor. Flood and earthquake insurance has to be-purchased separately. Ask your insurance company to inspect your property and suggest ways to reduce risk (and premiums). Look for uneven walkways, poor lighting, sharp protrusions, loose railings and toilet seats, slippery steps or anything that might trigger a liability suit. Ask tenants-by letter-to report unsafe conditions & suggest corrective actions. *File them as documentation and follow up!*

**DECORATING:** When it comes to keeping tenants long-term, the fewer rules the better. But you may need to discuss least-damaging methods of hanging heavy things from plaster walls and ceilings. Ban bed sheets from windows by installing cheap mini-blinds. Tenants like them and they're safer for vacant units too. Wall-to-wall carpeting increases

rentability because of its warm homey look and soundproofing quality. Choose inexpensive tweed in a neutral to dark tone. Ants, ashes, and crumbs will blend right in. Don't take long-term renters for granted. You'll be sick when they move just because the place needed paint and carpet. Now you have to do it anyway!

**BANKRUPTCY:** When a tenant files Chapter 7 or 13 and includes rent as debt, you can't enforce your contract rights unless you file a "Lift / Stay Motion." This delays eviction by only about two weeks.

## **FAIRNESS**

**DETAINDER WARRANTS:** Issue the warrant to "Defendant And Occupants" to sue for both possession and back rent. It can be served by the sheriff, registered mail or a private processor. The Landlord/tenant Act requires that you serve a written notice of non-payment of rent before you have a right to terminate.

**SCREENING:** Always check with former landlords and verify income and length of time on the job. Don't be afraid to say "no"!

**CREDIT REPORTS:** If you reject an applicant because of poor credit, you must name the credit reporting bureau and tell applicant he can get a free report (Ruling July, 1997).

**LEASE:** Buy a prepared lease form at an office supply store and rewrite it in plain English so that tenants can understand and abide by it. Go over each provision with them and their kids. Always provide them with a copy!

**DEFECTS:** If you rent a unit with hidden defects, disclose them to the prospective tenant. Contract in good faith! If utility bills will be high, the tenant should be warned or you'll have to put up with late rent.

**KNOWLEDGE IS POWER:** Get a copy of the Landlord/tenant Act and familiarize yourself with this book. Tenants are becoming more aware of their *rights*, and you can use this guide to point out their *responsibilities!*

**COMPLAINTS:** Respond to repair requests promptly; if you can't fix immediately, give tenant a realistic date to expect service and then stick by it. If the tenant *Trusts You*, he'll put up with difficulties.

**DECREASE EXPENSES:** When the tenant causes damage, the tenant has to pay. But many landlords don't bother to charge back expenses as they happen. Bill the tenants for the broken window now and make them act responsibly. Don't wait to charge everything to the damage deposit when they move out!

## **WISDOM**

**CONSCIOUS AWARENESS:** Make it easy for tenants to recycle by providing a place to sort and deposit glass, plastics, metals and especially newspaper/magazines. It will cut the garbage mess in half.

**DISCRIMINATION COMPLAINTS:** Avoid them by ensuring that procedures and qualifications are uniform for all applicants. If you rent 3 or more units, put your non-discrimination policy in writing, post it, and distribute to all employees. Document any employee training that includes info on the Fair Housing Act. You need not fear evicting a member of one of the protected classes if your enforcement of rules, warnings, and documentation are standardized. Read the section on Discrimination in Chapter One to see what qualifications you may demand from applicants.

**LABOR-FOR-RENT:** Always put these deals in writing and specify material, time-frames, and who pays for what.

**INSURANCE:** The landlord is not liable for loss of a tenant's possessions by fire, flood, theft, etc. (unless tenant proves negligence), but seldom do tenants know they are vulnerable. Always advise them to buy Renter's Insurance.

**RULES:** Some landlords attach a list of regulations to the lease. If signed by tenant, it is binding. If a tenant breaks a rule, it's fairly standard to issue a 14-day warning notice stating that if the situation isn't corrected, eviction can begin with only 14 days additional notice. Rules should be consistently enforced to prevent discrimination complaints and instill good habits.

**ACCESS:** The landlord cannot enter the tenant's unit without permission except in an emergency or in case of abandonment (see The LAW).

## **GOOD FAITH**

**DISABLED:** Owners can't deny the right of physically disabled tenants to construct "reasonable modifications" in order to have "full enjoyment of the premises." You can require the tenant to pay for them and to restore the unit to its original state when vacating.

**BAD ACTORS:** You can legally evict in 3 to 5 days with very good evidence of drugs, prostitution or violence. (See Notice in Chapter Four.) The new Crack House Bill enables neighbors to present good evidence to the D.A. who can then *force* the landlord to quickly evict.

**CITY CODE:** It is unlawful to rent a dwelling which is in violation of City Code or is unfit for habitation due to dilapidation or defects which increase the hazard of fire or other accident (see code provisions on page 37).

**EVICTION:** You cannot legally file a Detainer unless you've given proper notice in writing. You must sign an affidavit that you have delivered the notice, and bring a copy to court. You cannot turn off utilities, throw tenants out, or threaten them (no matter how badly you want to) during this process.

**DAMAGE DEPOSITS:** This is the tenant's money. It is unlawful to bank it with your rental income. The location *of* the escrow account must be supplied to tenants. *If you sell the building, the account must transfer to new owner!* By law, you must inspect within 3 days after the tenant vacates and estimate the cost *of each* damaged item.

**PROFITS:** Use a simple bookkeeping system (on a computer if possible) to keep track of the profitability of each unit. Record rent receipts and actual costs such as taxes, maintenance, insurance, legal and advertising fees, utilities, loan payments, and the cost of vacancy. You'll know whether you're making *10%* on your investment or losing *12%*! Or *consider hiring a bookkeeping service to do this for you.*

**DIMINISHED VALUE:** If your failure to make repairs results in some "loss of use" of the unit, determine what percentage of value was lost, and offer a rent reduction accordingly. This will increase tenant's patience and may ensure that he won't withhold rent or call City inspectors.

## ***GOOD BUSINESS***

**MAINTENANCE:** Glue instructions on preventing frozen pipes inside a kitchen cabinet. Post a warning about storing possessions in basements that flood. If tenants negligently ignore them, you may possibly escape liability.

**RENT RAISES:** Retain good tenants. by giving *50* or *60* days notice *of* a rent raise. This gives them a chance to get over their "mad", check out the competition, and decide they can live with the raise.

**P.R.:** Leave a "WELCOME" flyer in each unit telling tenants who to call in emergencies (you, plumber, fire, police, etc.) *and how to turn off the gas.* Tell them where and when the Neighborhood Association meets, location of schools, youth centers and other services.

**KEEP UP:** Join the Chattanooga Apartment Association, subscribe to a professional newsletter, attend conferences, get to know a landlord/tenant attorney, make contact with city's Department of Neighborhood Services and the counselors at the Housing Info Line. Buy a book on Landlording!

**MIND YER MANNERS:** Some landlords continuously dump piles of discarded furniture on curbs causing actual on-going *harm* to the image of the neighborhood. Taxpayers should not carry this business expense for you! Stop abusing neighbors and the system. The Housing Code states that it is the responsibility of the landlord to haul bulky residential trash to landfills (open from 8am to 6pm Mon-Fri and 8-11 on Sat.) If a pick-up or small trailer is used, there is *no charge*. Larger loads cost \$25 per ton.

**REPAIR REQUESTS:** Act promptly on requests. Even if repairs are unsuccessful, an attempt to repair can bar damage awards. If repeated attempts fail, or the cost is prohibitive, *lower the rent*. In the long run this may cost less than legal fees from resulting disputes.

**GOOD NEIGHBORS:** Don't lower your property values (and those of neighbors) by harboring criminals or slovenly tenants who create unsightly or dangerous conditions. Efforts to rid your property of undesirables must be decisive and diligent. Neighborhood Associations are bearing down on owners of rental property in older and lower income areas. The City's Department of Neighborhood Services is focused on improving services and property values by coordinating all city departments and related agencies.

**PAPERWORK:** Ease the burden of documentation by getting standard forms from an attorney or office supply store. Include applications, warning notice, eviction notice, promissory note, move-in and move-out condition lists, and a lease which you should alter to fit your needs. Don't put off paperwork, and keep a standard file on every tenant. Written records protect you in court cases.

**GOOD FORTUNE!**

