



RENTWISE

Renter's Workbook and Organizer

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Shirley Neimeyer

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Visit www.extension.umn.edu/rentwise for more information on this and other RentWise publications.

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INTRODUCTION

The *RentWise: Renter's Workbook and Organizer* helps you be a successful renter. It is a unique and practical resource for experienced and new renters alike. There are two parts to the *Workbook and Organizer*. The *Workbook* (the book you are currently looking at) includes nine sections with basic, easy-to-understand information:

- ▶ Communication and Conflict Resolution
- ▶ Managing Your Money
- ▶ Finding a Place to Call Home
- ▶ Getting Through the Rental Process
- ▶ Your Credit Report
- ▶ Moving In
- ▶ Taking Care of a Home
- ▶ Energy Actions to Save Money and Increase Comfort
- ▶ When You Move Out

There are notes pages at the end of the *Workbook* for your convenience.

The *Organizer* (the folder surrounding the *Workbook*) provides a file to store important rental records such as the lease, rent receipts, letters to and from the property manager, and other important records. The checklist on the back pocket lists items that should be kept. Good record keeping makes it easier to look up information in case of a problem or an emergency. The *Organizer* includes six Worksheets and a *Resource Guide* in the front pocket. The worksheets help you develop a plan to manage your money, figure out housing needs, record the move-in condition of your rental unit, and pull together a rental history. They include:

- ▶ *Estimating Monthly Income (Worksheet 1)*
- ▶ *Estimating Monthly Expenses (Worksheet 2)*
- ▶ *Determine Your Housing Needs (Worksheet 3)*
- ▶ *Rental Survey (Worksheet 4)*
- ▶ *Sample Rental Application (Worksheet 5)*
- ▶ *Sample Tenant's résumé (Worksheet 6)*
- ▶ *Rental Condition Checklist (Worksheet 7)*
- ▶ *Resource Guide*

Topics in this publication are taught more extensively in a nine-hour RentWise course as part of the *RentWise Tenant Certificate Education Program* of the University of Minnesota Extension. Individuals who complete this program earn a certificate to show potential property managers their desire to be good tenants. For information on RentWise training programs in your community, contact your property manager, the local housing authority, or your Regional Extension Center.

COMMUNICATION AND CONFLICT RESOLUTION

Without good communication skills it is difficult to maintain a positive working relationship with your property manager and your neighbors. Maintaining positive relationships is important because it makes renting and living close to each other more enjoyable. You need to get along with your property manager because you need good references to rent another apartment. The following information can help you know who to talk to about a problem, how to get your point across, how to be a good listener, and how to settle conflicts.

Property Manager or Neighbor: Who Should I Talk to about the Problem?

When problems come up, it may be hard to know who to talk to. Some problems, such as a leaky sink or a broken security door should be reported to your property manager. Problems such as noise, tenants parking in the wrong parking space, or kids running in the hallway should be discussed with your neighbor. Tenants should try to resolve neighbor problems between themselves. Involve the property manager as a last resort. Property managers do not appreciate being asked to get involved in neighbor problems.

Active Listening

In high stress situations we are often so busy being upset that we don't listen to what is being said to us. In many cases we assume we know what the person is going to say and are busy thinking about our response rather than what is actually being said. Use active listening skills to avoid conflicts:

- ▶ Face the person who is speaking and focus your attention on what he/she is saying.
- ▶ Don't interrupt except to ask questions to clear up things you do not understand.
- ▶ When the person finishes, restate in your own words what you heard her say.
- ▶ Ask the person if he/she thinks you heard what he/she said correctly.
- ▶ Respond to what the person said.

Positive Messages

Positive messages go a long way toward solving communication problems. Just as our emotions can get in the way of listening, they can get in the way of clearly expressing ourselves. We do so much accusing or blaming that we don't communicate what we really want from the other person.

RULE 1—Own the message. Use “I,” not “you” or “they” or “we.” Example: “I want you to move your car out of my parking spot” instead of, “You always park in my spot.”

RULE 2—Discuss one issue at a time. Don't use the “laundry list” approach.

RULE 3—Describe the facts of the situation:

- ▶ What needs to be repaired or changed
- ▶ What you have already done to fix it
- ▶ How it is affecting you and your family

RULE 4—Don't call the other person names or tell him what he/she has done because:

- ▶ You will put him on the defensive.
- ▶ He may meet your negative expectation.
- ▶ All you really know is what has happened to you.

RULE 5—Start a conversation in a conflict situation only when you are calm and can stay calm.

COMMUNICATION AND CONFLICT RESOLUTION

Communicating With Your Property Manager

STEP 1—Before you call, document the situation:

- ▶ What happened?
- ▶ When did you notice it?
- ▶ What have you already done about it?
- ▶ What do you want done?

STEP 2—Call the property manager and give him the information about the situation.

STEP 3—After the property manager responds, restate in your own words what you heard him say.

STEP 4—Ask the property manager if he/she thinks you heard what he/she said correctly.

STEP 5—Respond to what he/she said.

Sample Letter to Property Manager

The sample letter below is made up. When you write your letter use the current date and real names, addresses, and phone numbers. Give the full name and address of the person to whom you are supposed to request repairs as stated in your lease agreement. Change the sample letter so that it has information about your situation and the people you have been dealing with.

Do not make threats unless you know that you can legally carry them out and have specific actions in mind. For example, do not threaten to withhold rent, unless an attorney or a rental counselor advises this. Be specific about the repair, when you first noticed the problem, what you have done to fix it, and prior contacts requesting repairs.

Possible Individual or Group Activity:

Using your communication skills, rewrite this letter using a different issue.


January 7, 2007 (*current date*)

Jane Smith (*property manager's name*)
Sunrise Apartment (*property manager's address*)
1434 Main Street
Happytown, MN 55555

Dear Ms. Smith:

We first contacted your secretary, Jim Jones, on January 4, 2007 about the lack of hot water in our apartment. We first noticed the problem that morning when we were showering. Mr. Jones said he would have someone look into it on that day, January 4. We called again on January 5 and Mr. Jones said the maintenance person had been busy, but he was sure that he would be there that day. We still do not have any hot water. I am not able to clean the apartment effectively without hot water and my kids are complaining about having to take showers in cold water. Please call me with a date you expect to have the repair made. If I do not hear from you by January 14, I will contact the building inspections department.

Sincerely,


Nancy Olson (*your name*)
111 Sunrise Circle (*your address*)
Apartment 201
Somewhere, MN 55555
Phone: (111) 234-5678 (*your phone number*)

Steps in Settling a Conflict

Many of us try to avoid conflicts. However, that is not always possible or even a good idea. Some conflict is inevitable. It is usually best to find a solution rather than to ignore the issue and hope that it will go away. Use active listening and positive messages to settle many conflicts. The following guidelines below are helpful:

STEP 1—Set a time to meet when you are both calm and not busy.

STEP 2—Begin by giving the other person a “positive message” about what is bothering you.

STEP 3—Listen carefully to the other person’s point of view.

STEP 4—Decrease areas of disagreement by finding areas where you agree.

STEP 5—Offer solutions where you both give a little and get a lot.

STEP 6—Don’t force a solution.

STEP 7—If you cannot resolve the conflict, suggest a mediator whom you both respect.

Property Manager or Resident: Who Should Make Repairs?

If something goes wrong in your rental unit such as a lack of hot water or a broken window, figure out if it is something you should fix yourself. Property managers do not like late night calls to fix a problem easily solved by the tenant. Unplugging a toilet or sink, changing light bulbs, or replacing batteries in a smoke detector are things tenants can easily fix themselves. Likewise property managers want to know in a timely fashion about serious problems, especially problems that damage the building such as a water leak.

Resources to Determine Responsibility

Lease agreement

Your completed *Rental Condition Checklist (Worksheet 7)*, found in the *Organizer*

Government regulations

Common sense

Repairs and Government Regulations

Property Manager Responsibilities:

- ▶ Corrects building or housing code violations affecting the unit or common areas.*
- ▶ Provides hot and cold water and operational sewage drains.*
- ▶ Maintains heating equipment so that it is safe and capable of keeping temperatures at 67°F or warmer.*
- ▶ Keeps electrical system in safe operating condition.*
- ▶ Corrects other defects that could cause a substantial safety risk to tenants.
- ▶ Makes repairs required by normal wear and tear.
- ▶ Maintains common areas in reasonable condition.
- ▶ Maintains equipment and common spaces.

** If any of these conditions are not met in the home to be rented or in the common areas of the building, the property manager must disclose the problem before renting.*

Tenant Responsibilities:

- ▶ Makes repairs required because of tenant’s negligence or improper use. (Property managers may choose to make such repairs at tenant’s expense.)
- ▶ Does maintenance required to keep plumbing, electrical wiring, and other equipment in working order if repairs can be made at a relatively low cost.
- ▶ Reports problems to property manager as soon as they are noticed.

For more information, see LANDLORDS AND TENANTS: RIGHTS AND RESPONSIBILITIES, available from the Minnesota Attorney General’s Office (www.ag.state.mn.us).

MANAGING YOUR MONEY

Serious problems are created when you rent a home you can't afford. You may not be able to make the rent payments or may pay rent late so often that the property manager asks you to leave. In order to know how much you can afford for rent you need to know how much money you have and what you spend. To make good spending decisions you need to know the difference between things you need to buy and things you want to buy. It is also helpful to find ways to save money.

Income and Expenses

Use the *Estimating Monthly Income (Worksheet 1)* and *Estimating Monthly Expenses (Worksheet 2)* in the **Organizer** to determine this information.

In order to manage your money you need to know:

1. How much money you have (income)
2. How much money you spend (expenses)



REMEMBER: *Configure the costs for Rental Insurance into your expenses. See page 17 for more information.*

Buying on Credit

Sometimes you want to buy something that you do not have enough money to pay for. You may decide to buy it on credit. You might use a credit card or get credit through a store. Buying on credit and paying it back a little every month costs you more.

When you buy things on credit, you are actually borrowing money from the credit card company or store. They charge you a fee, called interest, to borrow money. You pay back the cost of the item you bought PLUS the interest you are charged to borrow the money.

When you pay a little every month, you are borrowing the money for a longer time so there is more interest to pay. Items you buy on credit cost you a lot more in the long run unless you pay the bill off right away.

Ways to Track Spending

Keep track of your spending so you become aware of your spending habits. This can help you make better financial decisions. There are several different ways you can track your spending.

RECEIPTS

Keep all sales receipts, cash register tapes, copies of money orders, and credit card slips in a folder or box.

CHECKBOOK REGISTER

Use checks to pay for most expenses and describe all transactions in the checkbook. The check register helps you keep track of how much money is in a checking account. One of the most important things to do is to record every transaction (check, deposit, withdrawal, service charge, debit card) in the check register. This method only works if every expense and its description are recorded.

NOTEBOOK OR LEDGER

Use a notebook to track all expenses by date or use a ledger form to note expenses by category.

CALENDAR METHOD

Make notes of income and expenses on a calendar.

ENVELOPE METHOD

On each payday divide money into envelopes for various categories of expenses.

Ways to Reduce Expenses

There are several ways you can reduce expenses.

GENERAL

- ▶ Know the difference between things you need and things you want.
- ▶ Reduce monthly bills such as cable or telephone by eliminating special services, reducing long distance calls, and using phone cards.
- ▶ Use an allowance system with children, rather than handing over money when asked.
- ▶ Hold family meetings to set saving or spending goals and to check progress toward goals.
- ▶ Avoid buying things on credit cards or credit plans.
- ▶ Items cost much more when paying interest on a credit card loan.

HOUSING

- ▶ Live with parents, other relatives or friends.
- ▶ Share an apartment with a roommate.
- ▶ Rent a small apartment and share a bedroom with your child.
- ▶ Perform energy-saving actions in your home (see page 20 for more information).

FOOD

- ▶ Use food stamps/EBT card and limit other food purchases.
- ▶ Limit eating out and snack purchases.
- ▶ Use food pantries, commodities, FARESHARE program, and cheaper food products.
- ▶ Enroll children in school breakfast and lunch programs.
- ▶ Make a list before grocery shopping and only buy what is on the list.

CHILD CARE

- ▶ Ask relatives to help with children.
- ▶ Check if you are eligible for childcare subsidies.
- ▶ If you are a two-parent family, work opposite shifts.
- ▶ Trade childcare with friends when possible.

CLOTHING

- ▶ Buy at used clothing stores and garage sales.
- ▶ Buy store brands.

TRANSPORTATION

- ▶ Find a home close to your workplace so you can walk to work.
- ▶ Use the bus for most trips.



*Money Management Resources from the
University of Minnesota Extension*

For more resource management information
from the University of Minnesota Extension, visit
www.extension.umn.edu/moneyeveryday

FINDING A PLACE TO CALL HOME

Finding an affordable, appropriate and safe place to live can be a challenge. In many urban areas there isn't enough affordable housing to meet the demand. In many rural areas property managers hesitate to rent to people they do not know. It takes hard work and creativity to find a good place to live. Many renters make the decision to rent without thinking through what they want, what they need, and what they can afford. Often the housing search is difficult because of limited time and transportation issues as well as few affordable housing options.

Determine Your Housing Needs

Use the *Determine Your Housing Needs (Worksheet 3)* in the **Organizer** to prepare for an efficient, successful search for rental housing.

Where to Look for Information

Some places to look for housing information include: family or friends, newspapers, Yellow Pages, rental magazines, grocery store bulletin boards, "For Rent" signs, non-profit housing agencies, the Housing and Redevelopment Authority, places of worship, and moving sales.

Steps to Finding a Place to Live

1. Determine what is affordable
(*Worksheets 1&2 in the Organizer*).
2. Identify resources.
3. Determine housing needs
(*Worksheet 3 in the Organizer*).
4. Develop a system to compare rental units
(*Worksheet 4 in the Organizer*).
5. Organize information on the *Sample Rental Application (Worksheet 5 in the Organizer)*.
6. If needed, prepare a *Renter's résumé (Worksheet 6 in the Organizer)*.

Checking Out the Unit and Property Manager

Things you should do *before* renting:

INSPECT THE UNIT Is it clean and in good repair? Does the property manager agree to make repairs? Does he/she sound sincere? Does he/she listen to you and speak respectfully to other tenants and neighbors? Does he/she try to rush you to decide?

ASK ABOUT POLICIES Do they sound reasonable? How are they enforced?

ASK ABOUT THE NEIGHBORHOOD Does the property manager know the neighborhood? Does he/she mention membership in neighborhood groups, such as crime watch?

VISIT THE BUILDING AREA AT DIFFERENT TIMES When is it noisy? Do you feel safe walking after dark? Would you feel your children were safe outside during the day? Is parking a problem?

VISIT WITH OTHER TENANTS AND NEIGHBORS Has the property manager kept promises? Has he/she maintained common areas and made promised repairs? Are there problems with crime, noise, or unsupervised children?

COMPARE UNITS Use the *Rental Survey (Worksheet 4)* in the **Organizer** to compare units you look at.

GETTING THROUGH THE RENTAL PROCESS

After deciding what is affordable and searching for suitable housing, you will need to complete a rental application, go through the property manager's rental screening process, inspect the unit, sign a lease agreement, and move in.

Rental Application

Providing a neat, accurate, complete application will help convince the property manager you will be a good tenant. Incomplete and inaccurate rental applications give property managers a reason to deny your rental application. *Property managers can legally refuse an application that is incomplete.* Inaccurate information on an application is grounds for eviction. Use your complete name, including your full middle name to insure that the rental screening report belongs to you, not to a person with a similar name. Other things to consider with a rental application:

- ▶ Treat the rental application with the same importance as a job application
- ▶ Be honest; be complete; be neat
- ▶ Use the *Sample Rental Application (Worksheet 5)* in the **Organizer**
- ▶ Before paying an application fee, ask about criteria such as income, rental history, etc.

The most common reasons that rental applications are denied include:

- ▶ Missing or inaccurate information
- ▶ Poor credit history or references
- ▶ Inadequate or unstable income

Giving Information to Property Managers

Property managers may ask you for:

- ▶ SOCIAL SECURITY NUMBER to run credit and criminal histories
- ▶ NAMES OF ALL PEOPLE who will be living in the unit. Property managers often restrict the number of people in a unit. Each adult may have to complete an application and be responsible for the full rent.
- ▶ REFERENCES from places you have lived in for the last three years – Be prepared to provide addresses.
- ▶ INCOME AND EMPLOYMENT INFORMATION to determine you have the ability to pay the rent.

Property managers should not ask for:

- ▶ INFORMATION that identifies protected classes such as race, age, marital status, gender, or participation in public assistance programs
- ▶ CONFIDENTIAL INFORMATION like account numbers or other detailed financial information

GETTING THROUGH THE RENTAL PROCESS

Fair Housing

Fair Housing laws apply to property managers, neighbors, real estate brokers, and lenders.

Under these laws:

- ▶ There must be equal treatment for all inquiries and applications.
- ▶ There must be equal treatment for making repairs.
- ▶ There must be equal treatment regarding consequences for lease violations.

It is against state and federal laws to be denied housing because of:

- Race of tenant, tenant's family or tenant's friends; national origin; sex; color; religion; family status; public assistance status; disability; marital status; sexual preference; and/or creed.
- Age (in St. Paul).

If you suspect you have been treated unfairly call:

Housing and Urban Development

77 West Jackson Blvd.
Chicago, IL 60604-3507
1 (800) 424-8590

Minnesota Department of Human Rights

190 E. 5th St., Suite 700
St. Paul, MN 55101
(651) 296-5663

You may also contact your local Legal Aid office.

Common Applicant Screening Practices

Property managers set their own criteria for screening applicants. Most will:

- ▶ Look at your credit report.
- ▶ Talk to your employer to find out about your ability to pay the rent and stability of employment.
- ▶ Talk to previous property managers.
- ▶ Look at your criminal history.
- ▶ Verify that you have paid your utilities (heat, electric, phone).

Screening Agencies

Many property managers contract with another agency to screen applicants. The property manager must tell you the name, address and phone number of the screening agency if applicable. A list of current tenant screening agencies is available on the *Resource Guide*.

The most recent *Resource Guide* can be found at www.extension.umn.edu/rentwise.

Screening agencies collect information and sell summaries to property managers. If the property manager charges a screening fee, laws require that it be used to buy reports and check references.

The property manager is not required to share the agency's report with you. You can request a copy of the report from the screening agency.

Getting a Copy of Your Credit Report

Your credit report contains information about how you have paid your debts. Companies called credit bureaus collect the information about your credit transactions from your creditors, employers, and public records. The three major credit bureaus are Equifax, Experian and Trans Union.

Everyone may obtain one free copy of their credit report once a year from each credit bureau. Consumers are encouraged to obtain and review their credit reports annually. Many reports contain errors which may affect the cost and availability of credit. The consumer can get the errors corrected. Reviewing also helps detect possible identity theft fraud.

Free credit reports may be obtained three different ways:

1. Using the central website:
www.annualcreditreport.com
2. Calling: 1-877-322-8228
3. Writing: Annual Credit Report Request Service, PO Box 105281, Atlanta, GA 30348-5281 (A request form to order all 3 at one time may be printed from www.ftc.gov/credit.)

You will need to provide the following information:

- ▶ Full name (including Jr., Sr., III)
- ▶ Current address and addresses for the last two years
- ▶ Social Security number
- ▶ Date of Birth

For security each credit bureau may also request other information only you should know such as monthly rent payment or cell phone bill.

Credit reports ordered by phone or mail will come in 15 days.

Be aware of the following:

- ▶ You are not required to make any purchases to obtain the free report.
- ▶ To get a free report online use only the specific address, www.annualcreditreport.com. Many other sites will advertise free credit reports but they will likely ask for a credit card number which enrolls you in a monthly service fee.
- ▶ Credit bureaus will not be contacting consumers by e-mail, phone, mail or through pop-up ads on a computer. Any offers like this should be ignored to protect against fraud.

Things Property Managers Check on Credit Reports

Property Managers may look at the following on your credit report:

- ▶ Record of payment
- ▶ Utilities
- ▶ Pattern of unpaid bills
- ▶ Number of applications to property managers
- ▶ Addresses match
- ▶ Social Security number matches
- ▶ Payment plans applicant is committed to

YOUR CREDIT REPORT

What to Look for in Your Credit Report

It is important you look over your credit report to make sure it is accurate. The following is information your property manager will use to decide whether or not to rent to you.

IDENTIFICATION INFORMATION

Does your name(s), Social Security number, and current and former addresses match what is listed on your application?

EMPLOYMENT DATA

Does your current employer, length of employment, and previous employers match what is listed on your application?

PUBLIC RECORDS

Do you have bankruptcies, evictions, and/or court judgments to pay? Who do you owe and how much do you owe?

BILL PAYING HISTORY

What loans have you have received (including car loans, appliance loans, and credit cards)?

What unpaid or overdue bills do you have on utilities, phone, and medical expenses?

INQUIRIES

What businesses or individuals have requested credit information on you?

HAWK ALERT

Is there a hawk alert on your credit (or a warning to creditors on possible credit fraud)?

Sample Letter about an Incorrect Credit Report

If you find there is something incorrect on your credit report you should write a letter. The sample letter below is made up. When you write your letter use the current date and real names, addresses, and phone numbers. Use the sample letter as a guide.

January 7, 2007 *(current date)*

Equifax *(Your Credit Bureau)*
Attention: Customer Relations

Re: Nancy Olson *(your name)*
111 Sunrise Circle *(your address)*
Apartment 201
Sunrise, MN 55555
Phone: (111) 234-5678 *(your phone number)*
SS# 111-22-3333 *(your Social Security number)*
DOB: 04-22-66 *(your date of birth)*

Please investigate the following items listed on my credit report. I believe they are not accurate and they should be removed from my credit file: Uptown Furniture, 8420 Some Street, Your Town, ST 54321 Account #14345

I negotiated an agreement with this furniture store to reschedule my payments. Under that agreement, my payments have been on time, but not properly credited, resulting in an incorrect report of the account being in default. Please update my credit report and send a copy to me when the investigation is concluded.

Send the results to the following organization, which has reviewed my credit report within the last 6 months: Downtown Mortgage, 3215 Another Street, Your Town, Street, 54321

Also please send the results to my employer who reviewed my credit report within the last 2 years: Widgets "R" Us, 3215 Another Street, Your Town, State, 54321

Thank you for your help and prompt attention in this matter.

Respectfully,



Nancy Olson *(Your Name)*

YOUR CREDIT REPORT

Sample Letter to Creditor about a Payment Plan

If you have financial problems, you may want to write a letter to your creditor to come up with a payment plan that fits your budget. The sample letter below is made up. When you write your letter use the current date along with real names, addresses, phone numbers, and specific information. Use the sample letter as a guide.

Improving Your Credit History

Here is a list of suggestions for improving your credit history:

- ▶ Stabilize employment—stay for more than one year
- ▶ Stabilize housing—move less than once a year
- ▶ Establish a savings account with regular deposits
- ▶ Have telephone bill in your name
- ▶ Budget payments on utility bills
- ▶ Get financial counseling if needed
- ▶ Deal with overdue bills
- ▶ Avoid credit repair service

January 7, 2007 *(current date)*

Re: Nancy Olson *(your name)*
111 Sunrise Circle *(your address)*
Apartment 201
Sunrise, MN 55555

Uptown Furniture *(creditor name)*
8420 Some Street *(creditor address)*
Your Town, ST 54321
Attention: Delinquent Account Representative

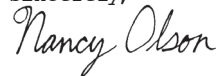
Re: Nancy Olson, Account Number 14345 *(your name and account number)*

This letter is to inform you that I am having unexpected financial difficulties. I am having trouble making my account payments due to a recent divorce and job change with a lower salary. I hope that we will be able to agree on a mutually acceptable debt-repayment plan.

I have evaluated my financial situation, and prepared a realistic minimum budget for my living expenses. I am asking each of my creditors to accept reduced payments, with the hope that amounts will be increased as soon as possible. I am committed to paying my debts in full.

My debts total more than \$7,500, and my assets are valued at less than \$3,000. My minimum budget leaves \$242 per month for debt repayment after basic living expenses. I would like you to accept a partial payment of \$50 per month for 14 months, which will repay my obligation. You may expect my first payment on 4/1/07.

Sincerely,



Nancy Olson *(your signature)*

Once you have found a place to live, you will need to do a move-in inspection, pay a security deposit, and sign a lease agreement. You will then want to sign up for Renter's Insurance.

The Move-in Inspection

Most property managers require you to pay a security deposit before you move in. The purpose of the security deposit is to pay for any damage that occurs while you live there. The best way for you to make sure you get back your security deposit when you move out is to do a detailed inspection with the property manager before moving in.

- ▶ Complete the *Rental Condition Checklist (Worksheet 7)* in your **Organizer** during the inspection.
- ▶ Have the property manager sign it.
- ▶ If possible, take pictures or make a video of the unit before you move in.
- ▶ Store pictures and checklist in your **Organizer** as a record.

In general, you should be looking for the following problems during your move-in inspection:

- ▶ Missing Items: ice-cube trays, window screens, broiler pans
- ▶ Damaged Items: cracked windows, burned or scratched counters or bath fixtures
- ▶ Dirty Items: grime on cooking surfaces and bath fixtures, dirty carpets and wall
- ▶ Excessive Wear: carpet, vinyl flooring, cabinets, woodwork, window coverings, etc.

The primary goal of the inspection is to identify items that may end up as deductions from the security deposit if not called to the property manager's attention before moving in. The inspection will help you make sure everything is in working order before you move in and that you know how to operate and care for equipment in the unit.

Lease Agreements

A lease agreement is a legal contract between the property manager or owner and the tenant. The terms of any lease agreement are stated in the lease. Ask for a written lease agreement. Written agreements give you a record of the terms and are easier to enforce if there is a problem. Keep a copy of the lease in the **Organizer**.

You need to understand the lease agreement before committing to renting a new home. Most written lease agreements use a standard form. Some property managers add conditions that are handwritten or typed into or attached to the form. This is legal, but occasionally the conditions may not abide by the law. Read these additional conditions very carefully. If something does not seem fair to you, check with an attorney or one of the resources in this book. Tenants should also read any through building rules and policies, before signing a lease agreement that specifies that those rules are a binding part of the lease. These rules/policies should also be kept in the **Organizer**.



REMEMBER: When rules, policies, and lease agreements are in writing, they can be enforced.

MOVING IN

Here are some of things you should find out before signing a lease agreement.

LEASE TERM

When does this lease end? What happens if you move out before your lease period ends?

RENT

How much is the rent? When is the rent due? Who is responsible for the rent? Where do you pay the rent? To whom do you pay your rent? Is there a penalty for late payment? If so, what is it? When can the rent be increased?

UTILITIES AND FEES

What utilities must you pay? Are there other payments you must make, such as security deposit, parking, etc.?

MAINTENANCE

Are you responsible for maintenance and repairs? To whom do you report problems?

MOVING OUT

How should the apartment look when you move out?

OTHER

When can the property manager enter the apartment? Are pets permitted? How do you become eligible for a tax credit? How long can visitors stay with you? If they stay longer, what happens?

If you cannot find this information in your lease or other building policy and rules, ask the property manager for the information in writing.

For more information, see LANDLORDS AND TENANTS: RIGHTS AND RESPONSIBILITIES, available from the Minnesota Attorney General's Office (www.ag.state.mn.us).



POSSIBLE ACTIVITY: Look for the answers to these questions in your lease.

Renter's Insurance

Insurance is a common method of risk management. Insured individuals transfer risks associated with large losses to an insurance company by buying insurance coverage. A renter's insurance policy transfers three types of risks to the insurer:

- ▶ Replacement of personal belongings lost or damaged through theft, fire, or natural disaster
- ▶ Coverage for living expenses if unit is unlivable
- ▶ Protection against personal liability due to negligence

WHY YOU NEED IT

Insurance will help you cope with the stress of losing your things or suddenly being without a home because of a fire or natural disaster. If you cannot afford to replace your clothes, mattress, sofa, chairs, and other household goods you will appreciate a check from an insurance company to replace these things. You need to be protected if a visitor is injured while in your home. Further more it may be included as a clause in your lease.

Everyone needs protection against personal liability. If you are not worried about the costs to replace your things or a place to stay, consider a policy with a high deductible.

HOW DO I GET IT AND MAKE A GOOD DECISION

Take inventory. List everything you own, the date it was purchased and the cost. Determine the value of the things you want to insure.



MYTH: "I don't need renter's insurance. If our building burns down, the landlord's insurance will replace my things." Property owners insure the building, not tenants' personal possessions. The property owner's property insurance does not extend to things inside tenants' units.

SHOP AROUND AND ASK QUESTIONS

Does the insurance cover the costs to replace your things or the actual cash value? Replacement value has a higher premium, however if many of your things have little cash value and would need to be replaced, it may be the better option.

Ask for discounts if you do not smoke, have a security system, smoke detectors, sprinklers, and/or dead bolt locks.

Call the agent who insures your car; ask for a discount on both policies.

Get estimates from several insurance agents to compare policies.

AFTER YOU GET YOUR POLICY

Here are some things you should do after getting renter's insurance.

- ▶ Review the policy
- ▶ File the policy in your **Organizer**
- ▶ File a copy of the inventory or list of all your possessions with pictures or videotape in a safe place away from your home
- ▶ Add purchases to your inventory and file receipts with pictures

For more information on renter's insurance contact:

Independent Insurance Agents of America

127 South Peyton Street

Alexandria, VA 22314

800 211-7917

703 683-4422

703 683-7556 (fax)

email info@iiaa.org

<http://www.iiaa.org>

The Insurance Information Institute

1759 K Street N.W.

Washington, D.C. 20006

292 833-1580

www.iii.org/individuals/home/renters.html

Minnesota Department of Commerce

85 East Seventh Street

St Paul, Minnesota 55101

651 296-4026

www.commerce.state.mn.us

TAKING CARE OF A HOME

Keeping your unit clean is part of your lease agreement. If you don't keep your home clean, the property manager may deduct money from your security deposit when you move out. If the unit is excessively dirty, you can be evicted. Eviction results in a poor rental history which makes it more difficult for you to find another unit.

Keeping it Clean Means:

- ▶ Less chance of illness and injuries
- ▶ Less wear and tear to the home and possessions
- ▶ Fewer deductions from your security deposit
- ▶ Less time required for move-out (cleaning will be much easier)
- ▶ Less problems with insects and rodents
- ▶ Less fire hazard
- ▶ Less time spent looking for things
- ▶ Less chance of involvement of child protection service because home is not clean

Basic Cleaning Supplies and How to Use Them

Keeping your home clean requires a few supplies.

CLEANERS

Liquid hand dish washing soap—useful for many cleaning tasks; needs rinsing

Chlorine bleach—useful for disinfecting surfaces and removing mold and mildew from hard surfaces

Baking soda—mild abrasive useful for cleaning counter tops and sinks

Sudsy ammonia—grease cutter and oven cleaner

All-purpose, multi-surface cleaner—dilute with water and use for most surfaces

OTHER SUPPLIES

Broom, dustpan, rags (pieces of old cotton towels are great), scrub brush or nylon scrubbing pad, bucket, vacuum (with beater bar if you have carpeting), toilet brush, plunger

Kitchen Cleaning Tasks

Here are some cleaning tasks you can do to keep your kitchen clean.

IMMEDIATELY

Rinse dishes after use and stack in dishpan or dishwasher. Wash or soak utensils used for cooking. Wipe up spills on floor. Wipe the table clean after every meal.

DAILY

Wash dishes, sink, and counters. Disinfect counters and cutting boards using bleach water (1 tsp. chlorine bleach to 1 quart water) or disinfectant (like Pinesol™ or Lysol™).

Sweep the floor. Clean stove top after every use to prevent baked-on dirt.

Pick up trash and empty trash can. Place unused food in airtight containers or refrigerate.

WEEKLY

Mop floors. Disinfect counters and cutting boards using bleach and water solution.

MONTHLY

Clean filters from range hood. Clean oven. Clean refrigerator and defrost if needed.

For additional information, refer to the RentWise Program Page (www.extension.umn.edu/rentwise) and HELP YOURSELF TO A HEALTHY HOME: PROTECT YOUR CHILDREN'S HEALTH (University of Wisconsin-Extension www.uwex.edu/healthyhome/book.html).



REMEMBER: Be careful with chlorine bleach. Do not use or spill on soft and colored surfaces and carpets. It will remove dye. Wear protective eyewear, mask, and gloves when working with chlorine bleach. Bring in fresh air or use an exhaust fan or other fans.

Bathroom Cleaning Tasks

Here are some cleaning tasks you can do to keep your bathroom clean.

IMMEDIATELY

Run exhaust fans after showers or baths—20 minutes minimum. Rinse out sink and tub after use. Wipe up spills on floor.

WEEKLY

Wipe down sink and tub surroundings with all-purpose cleaner. Clean toilet bowl. Wipe toilet seat and outside of toilet bowl with all-purpose cleaner. Wash floor with all-purpose cleaner. Clean tub with low abrasion cleaner once a week.

EVERY OTHER MONTH

When mold appears on grout or wall surfaces, scrub with solution of 1/4 cup of chlorine bleach and one quart of water.

Carpet Care

Here are some cleaning tasks you can do to keep your carpet clean.

ALWAYS

Use door mats near outside doors.

IMMEDIATELY

Pick up food and other spills.

WEEKLY

Vacuum carpeting, especially in high traffic areas.

Roach Control

Why worry about roaches? Roaches contaminate or damage food, damage wiring, and contribute to allergies. It is easier to keep them out than to get rid of them once they are part of your home.

- ▶ Don't bring roaches with you. They like to hide in cardboard boxes. Try to use new boxes or clean, plastic totes when moving.
- ▶ Don't feed roaches. Keep food in tightly covered containers. Wash dirty dishes immediately. Take garbage out daily. Fix leaky faucets and pipes.
- ▶ Get rid of roaches. Use roach traps to determine where roaches are living. Apply insecticides near where roaches are living. Be careful to keep it away from pets, children, dishes, and food. After using insecticide, plug leaks in walls, windows, and around pipes. Follow prevention guidelines so roaches do not reappear.

Lead Paint Hazards

How do you know if there is a lead paint hazard?

- ▶ Property managers must tell you if they know of any lead hazard in the home before they rent to you.
- ▶ Property managers must tell you about lead paint hazards and what to do about them before you rent.
- ▶ A pinprick blood test tells whether your child has lead poisoning.

Lead paint is:

- ▶ Only in homes built before 1978.
- ▶ A hazard only when paint is peeling, chipping, chalking, or cracking.
- ▶ Often on surfaces where children can chew or that have a lot of wear like windows and doors.
- ▶ In soil near outside of older homes.



SAFETY INSTRUCTIONS: *It is very important to use care when you bring household chemicals into your home:*

- ▶ *Never mix cleaning products*
- ▶ *Always read instructions on the cleaning supplies before you use them*
- ▶ *Use extra precautions when using chlorine bleach as noted above*
- ▶ *Keep cleaning products in their original containers*

- ▶ *Do not eat or drink while using cleaning products*
- ▶ *Always keep all cleaning supplies out of the reach of children and pets*
- ▶ *Keep this number by the phone in case a child gets into the cleaning products:*

Minnesota Poison Control
(612) 221-2113

ENERGY ACTIONS TO SAVE MONEY AND INCREASE COMFORT

The following tips were specifically designed to help you save energy with little out-of-pocket costs. The energy usage of each apartment may vary according to whether it is a corner apartment or an inner apartment (with units on both sides and units above). The layout can also affect energy usage. Before renting your next apartment, ask about the apartment's utility rates and compare units in the complex if possible. Before implementing any measures requiring an alteration to your rental unit, such as caulking and weather-stripping, get your property manager's permission or ask him/her about having it done.

HEATING AND COOLING

In the winter, set thermostats no higher than 72°F when people are home. You save about 3% on your heating bill for every 1°F that you lower the thermostat setting. For example, if you keep your thermostat set at 75°F all the time, and you lower it by 3°F to 72°F, you will save about 9% (3x3%) on your heating bill or about 9 cents for every dollar you spend on heating costs. Put on a sweater or warmer clothing for comfort.

By lowering the thermostat from 72°F to 65°F at night, will save another 7 cents for every heating dollar you spend. Some people turn their thermostats down to 60°F or 55°F at night.

Never use the stove for additional heat—it is dangerous. Besides causing a fire hazard, fumes given off by gas ovens can result in increased carbon monoxide levels.

If you get warm, turn down the thermostat. If your building is heated with a central boiler, close the radiator valves in the rooms that are too warm. The manager may be able to adjust the boiler controls to lower your apartment temperature. Do not open your windows if it gets too hot. The furnace will pump out even more heat until the window is closed or the thermostat is turned down.

On sunny days, open blinds, shades, and curtains, especially if your windows face south. At night, close the blinds, shades, and curtains to help keep heat in your apartment.

If it is your responsibility to clean or replace furnace filters add it to your home maintenance schedule. Dirty filters reduce the heating ability of the furnace and waste valuable fuel. Clean or replace your furnace filter(s) as directed by the manager or landlord; do not try to clean disposable filters.

In the summer, keep window shades or blinds down and closed during the day. In the evening and early morning, open windows. Turn the air conditioning thermostat to higher temperatures when no one is home.



REMEMBER: Contact the property manager immediately if the heating system is not keeping you warm.

WINDOWS AND DOORS

Use towels to block air coming in under doors to the outdoors or buy an inexpensive door sweep. If the door leaks around the entire frame, install foam weather-stripping with adhesive backing between the door and the frame.

Use blinds, shades, and lined curtains or draperies to reduce heat loss during the winter and block heat gain during the summer.

WATER

If you have a separate water heater set at 140°F, turn the temperature down to 120°F (medium setting on a gas heater dial) and you'll cut your water-heating costs by 6% to 10%. Turn the water heater down further if you leave the unit for a trip.

Notify the building manager immediately of dripping faucets. One drip can waste up to 48 gallons of water a week and waste energy to heat water. Many landlords consider it a lease violation if tenants do not notify them of leaks.

RANGE AND OVEN

Use pans that fit a burner to reduce heat lost. Use the broiler when possible. The broiler uses less energy, and does not need to be preheated.

Use the kitchen exhaust fan when cooking.

Don't use the oven to help heat your apartment. Besides causing a fire hazard, the fumes given off by the flames over an extended period of time can result in increasing carbon monoxide levels.

REFRIGERATOR

Refrigerators cost \$5 to \$8 per month to operate consuming 3% to 5% of your total energy use. Keep the refrigerator at 36°F to 38°F and the freezer at 0°F to 5°F.

Check the gasket (soft plastic piece that seals the door to the body of the refrigerator) for gaps and improper fit. The door should close firmly against the gasket. Check the tightness of the door by placing a dollar bill between the gasket and the door. You should feel a slight drag when you pull it out. Cool food slightly before putting in the refrigerator so the refrigerator does not use energy unnecessarily. Try to keep the door open no longer than necessary.

DISHWASHER

Run the dishwasher only when it is full. Many dishwashers have energy-saving settings, such as an energy-efficient drying cycle.

WASHER AND DRYER

Use hot water only for very dirty clothes and diapers. Refer to the washing instructions on clothing labels and on the washing machine. Washing in hot water costs 20 to 40 cents per load. Wash in cold water using cold water detergents.

Front loading washers are usually more energy efficient than top loaders.

Full loads of laundry in the washer save both energy and water. Adjust water levels for smaller loads.

Clean the lint from the dryer's filter after every load.

Operate the dryer like the washer: don't overload it. Overloading uses excess energy because the items take longer to dry.

AIR CONDITIONER

Air conditioners have an energy efficiency rating—EER for short. Buy an air conditioner with an EER of at least 10. Although air conditioners with EERs higher than 10 usually cost more, you will recapture this cost by using less electricity.

Buy the correct size air conditioner for the square footage of your home. If the air conditioner is too large, it won't operate efficiently and it will use more energy.

Remove and clean the filter every month or according to instructions.

If possible, put the air conditioner in a window that faces north or is shaded. Remove from the window and store the air conditioner during the winter.

ENERGY ACTIONS TO SAVE MONEY AND INCREASE COMFORT

SMALL APPLIANCES AND ELECTRONICS

Disconnect unnecessary or unused equipment

Shut off your computer and printer when not in used.

LIGHTING COSTS

Use screw-in compact fluorescent bulbs.

Turn off lights when rooms are not occupied

FURNITURE AND BOOKCASES

Place bookcases, armoires, or large textile items on outside walls. Check behind the items occasionally as condensation can sometimes create mildew or mold behind furniture items

Try not to place furniture and curtains over or around registers.

ASK YOUR PROPERTY MANAGER

You should ask your property manager about:

- ▶ Installing programmable thermostats.
- ▶ Installing awnings, window shades, or window films to block the summer sun.
- ▶ Sealing air leaks around your windows and adding storm windows if needed.
- ▶ Caulking and weather-stripping windows and doors and sealing along the basement sill plate.
- ▶ Fixing leaky faucets and toilets to conserve water.
- ▶ Installing low-flow shower heads.
- ▶ Insulating the water heater.
- ▶ Purchase ENERGY STAR® Appliances, Computer, Electronics, and Lighting.

DID YOU KNOW?

1 standard bulb costs about \$4.80/yr.

1 fluorescent bulb is about \$1.20/yr.

10 standards bulbs cost \$48.00/yr.

10 fluorescent bulbs cost \$12.00/yr.

REFERENCES FOR ENERGY ACTIONS SECTION

The U.S. Department of Energy has developed a website for tenants that describe low-cost energy efficient options for hot water use, kitchens, refrigerators, dishwashers, washing machines, dryers and window air conditioners.

http://www.eren.doe.gov/buildings/home_renters.html

Adapted in part from United States Department of Energy.

Source: U.S. Department of Energy. Energy Star.

Available online: <http://www.energystar.gov/>

U.S. Department of Energy: Energy Savers: Tips on Saving Money and Energy at Home. Available online.

http://www.eere.energy.gov/consumerinfo/energy_savers/

U.S. Department of Energy. Energy Star Environmental Leadership Adds Value to Your Small Business. Renters & Tenants. Available online: http://www.energystar.gov/index.cfm?c=small_business.sb_renters

How you move out of your current unit affects the reference your property manager gives you when you look for a new place. This section explains the rules and expectations.

Certificate of Rent Paid

Depending on income and amount of rent paid, tenants in Minnesota may get a partial refund of the property taxes they pay indirectly through their rent. To claim the credit, you (the tenant) must file a Property Tax Refund return form (M-IRP) and a Certificate of Rent Paid (CRP) with the Minnesota Department of Revenue.

- ▶ The property manager must supply a Certificate of Rent Paid by January 31 of each year according to Minnesota law.
- ▶ Tenants **MUST** supply a forwarding address, or the CRP will be sent to the old unit and may never reach the tenants.
- ▶ If the property manager fails to provide a CRP, call the Minnesota Department of Revenue, 651-296-3781, to request a Rent Paid Affidavit form.

Security Deposit Guidelines

Disputes over security deposits are a common problem between property managers and tenants. There are a number of actions tenants can take while they are moving in to avoid disputes over security deposits when they move out.

Your unit should be clean when you move in and clean when you move out. Have the property manager walk through the unit with you at move-in. If appropriate, they should sign a statement saying the unit is clean and undamaged. Keep the statement in your **Organizer** in case of a dispute over the return of your security deposit.

Minnesota law requires that security deposits be returned within 21 days from the end of the lease. They must be returned in full or with a detailed list of deductions if not returned in full. Property managers are required to pay simple interest on security deposits; the current interest rate is 1%. Tenants need to leave a forwarding address or complete a change of

address form with the Post Office so the deposit can be returned through the mail.

Property managers are not supposed to deduct charges for normal wear and tear to a unit. However, it is sometimes difficult to say what is normal and what is caused by neglect. Pictures of the unit when you moved in along with your completed *Rental Condition Checklist (Worksheet 7)* will help you settle a dispute.

Tenants cannot use the security deposit to cover rent. However if a tenant fails to pay the rent, a property manager may keep the deposit to cover it.

Eviction and Notice

An eviction results in a long-term court record which future property managers may check when you apply for housing.

Eviction is not dependent on the weather. In Minnesota, the Cold Weather Rule protects tenants from having their heat disconnected between October 15 and April 15. The Cold Weather Rule does not apply to evictions.

For more information, see LANDLORDS AND TENANTS: RIGHTS AND RESPONSIBILITIES, available from the Minnesota Attorney General's Office (www.ag.state.mn.us).

If the tenant's property is removed and stored, the tenant may have to pay reasonable costs for removal, transport, and storage.

After 60 days property manager may sell your property.

Property managers are required to give written notice one month plus a day before the lease terminates and they want you to vacate.

