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Next Meeting

**Tuesday, November 17, 2009**

5:30 p.m. **Granny Shaffer's Restaurant**

**Larry Warren—Atlas Risk Management**

Our next meeting will be this coming Tuesday, November 17, 2009. We will have our buffet supper at 5:30 p.m. with our program to start at approximately 6:15 p.m. Cost of the meal is \$10 per person. Reservations are not required and

guests are always welcome. Speaker this month will be **Larry Warren, owner of Atlas Risk Management.** Larry will explain the importance of running credit and/or background checks on prospective

tenants. He can explain the procedure for this and the fees associated with different searches. If you don't currently run credit/background reports, you definitely need to hear what Larry has to say.

## New Officers Installed

The annual election of officers was held at our October 20 meeting. The officers were then installed at our Board meeting on November 3. The following people were elected to fill these positions (in ( ) is when their terms shall expire: Daryl Rhodes (11), President; Tye Nance (11), VP/ Education; Dave McGarrah (10), Secretary; Clark Millis(10), VP/ Membership and Paul Mosbaugh(11), VP/Community Affairs.

Board members who serve and expire next year are: Billie Lammers, Treasurer; David Reeder, Executive Vice President.



**EQUAL HOUSING  
OPPORTUNITY**

HUD-934.3 (1-80)

### Price Increase for Forms

Unfortunately, like everything, the prices are going up on our forms from MAA. We will now need to charge \$1.25 for each form. Effec-

rentlinx

**October Stats**

15 members  
 36 properties listed  
 116 units  
 369 property views

**RentLinx**

List your properties  
 Here for on-line  
 Search of available  
 Housing units  
[www.RentLinx.com](http://www.RentLinx.com)

Prospects can search by:

# Bedrooms  
 School District  
 County  
 City

**Association Coverage Area**

According to MAA, our Association covers a large area of south-west Missouri, southeast Kansas, northeast Oklahoma and north-west Arkansas. These are the counties which are in our Association's area:

Missouri: Barton, Jasper, Newton, McDonald  
 Kansas: Linn, Bourbon, Crawford, Cherokee  
 Oklahoma: Craig, Mayes, Cherokee, Ottawa, Delaware, Adair  
 Arkansas: Benton, Carroll

If you know someone who is a rental owner or manager or who is considering becoming an owner/manager, tell them about us and all we can do for them!

**Applicant References**

Even though the most important tenant screening tasks are credit reports, criminal records, and eviction records, references can also be of value in evaluating applicants as potential tenants. The primary reason why references can be useful is the fact that, while an applicant has a good credit rating and there appears to be no criminal record or evictions in the jurisdictions checked, there is no guarantee that an applicant will be a good tenant. References can provide information regarding an applicant's character.

There are basically two different types of references of potential interest to the landlord. One is from previous landlords and the other is from those who know the applicant personally.

**Previous Landlords**

Most experienced landlords recommend asking the applicant to provide rental history for the past three years. Usually that will provide one or two previous landlord references in addition to the current landlord reference. Going back farther than three years may be counter-productive in that records are unavailable or contact personnel are no longer there.

Some landlords will be forthcoming about giving out information while some will be reluctant to provide any information other than tenant name, residency dates, and monthly rent. Their reluctance to share information is not necessarily a negative response to the tenant or an unfriendly behavior. Some people like to talk more than others do.

Some current landlords may be upset enough with the tenant to say nothing bad about them to allow them to move to your vacant property. For this reason, you should contact the applicant's landlord prior to the current one rather than depending solely on a current referral.

What you are trying to find out is whether the applicant paid the rent on time, kept the rental property in good condition, was considered a good neighbor, and otherwise materially adhered to the lease agreement. In short, from his past rental behavior, can you determine if the applicant is likely to be a future good tenant?

**Limited Rental Histories**

There are many potential applicants who have limited rental history, no recent rental history, or no previous rental history at all. Refusing to consider such applicants may significantly reduce the pool of available applicants. This is particularly true in certain locations and/or under certain economic conditions.

There can be many good potential tenants among the following three categories of applicants for which the landlord cannot obtain information from previous landlords:

- (1) Those that have never lived in rental housing,
- (2) Those who have resided in rental housing, but not as lease signing tenants in recent years, and

Southwest Missouri Rental Housing Association  
Minutes of Regular Membership meeting  
Tuesday, October 20, Granny Shaffer's

Meeting called to order by President David Enke

Present: 31 members, 0 guests, and 2 speakers. Total 33

Visitors Present: None

New Members Present: None.

Treasurer's Report: None available.

Membership Report as of October 15, 2009: Total-to-Date; 33/554 & 2 Associates.

Upcoming Speakers:

November 7- 10:00 am to 1:00 pm, Fall Education Seminar, Sarah Reeder and Assoc. & Judge Schoeberl. Topic will be landlord tenant law and a mock eviction Trial with Judge Schoeberl.

November 17- Judge Stremmel, Newton Co. or Larry Warren, Atlas Risk Mgt.

Tonight's speakers were: Curtis Colling and Nathan Howard, Sherwin Williams Co.

Membership renewals have been mailed and are due by October 31.

Tonight we voted on **Bylaw changes** presented to the membership, passed by **majority** vote.

Tonight we held our **annual election**. 3 seats are up for term: David Enke, Daryl Rhodes, Tye Nance; and 2 unexpired vacancies to fill.

Nominating committee recommends: Daryl Rhodes, Tye Nance, Dave McGarrah, Clark Millis, and Paul Mosbaugh. 2<sup>nd</sup> by David Reeder, by acclamation, the aforementioned names were elected.

A Certificate of Appreciation was presented by Daryl Rhodes to David and Lyn Enke in recognition of valuable contributions to the Association.

President David Enke thanked the Board and Membership for their support and the knowledge gained through the Association. He acknowledged that he and his wife enjoyed their time being members and they will miss everyone. He encouraged members to take an active role, the amount of work you put into something, you will receive in benefits.

Reminders:

Next Board meeting will be November 3, at Keller Williams office at 6:00 p.m.

Next membership meeting will be November 17, at Granny Schaffer's.

Meeting adjourned at 7:15 pm.

Lyn Enke, Secretary

This publication is designed to provide informative material of interest to its readers. It is distributed with the understanding that it does not constitute legal, accounting, or other professional advertising. Although the published material is intended to be accurate, neither we nor any other party will assume liability for loss or damage as a result of reliance on this material. Appropriate legal or accounting advise or other expert assistance should be sought from a competent professional.

Any advice you may receive from any Director or Officer of the Association is simply our experience or willingness to help and is not to be construed as legal advice. Our intent is to network and to share our experiences with other members. We are not responsible for the legal content of any forms we provide our membership.

(3) Those that have been homeowners for quite a while, but are returning to rental housing, either by choice or necessity.

Category 1 includes those who have only recently left the nest. These potential applicants not only have no rental history, but they also often have little or no credit history. College students and first-time job holders are often in this category.

Category 2 includes those who were spouses or roommates, but have not themselves signed a lease agreement.

Category 3 includes those who have just sold a home and need to rent for a period of time until they find a replacement property or have one constructed, as well as those who have lost their homes due to the current housing market collapse or through some other financial catastrophe. Those who were unable to meet mortgage, property tax, and insurance costs may easily be able to meet the expense of monthly rent.

For applicants in any of the three categories, landlords must sometimes consider utilizing personal references as a qualification tool.

**Personal References**

Personal references differ from landlord references in that that a personal reference will be an individual that has never rented to the applicant. Personal references are character references offered by family, friends, business associates, community leaders, etc, who can personally vouch for the applicant.

Some landlords feel that such references are worthless, since most applicants are not likely to provide the name of someone who would give a bad reference. The fact that information obtained from personal references can be difficult to quantify and assess in measurable terms also leads some landlords to use this source of information sparingly.

Other landlords view personal references as a third party opinion, and while acknowledging the potential for bias, recognize that behavior observed over a period of time is indicative of future behavior, much as the applicant’s credit history reflects future credit management.

Most landlords who utilize personal references prefer to use hard data to evaluate candidates and “soft” information obtained from references only as a tie breaker for equally qualified applicants.

In spite of the suspect value or difficulty of using personal references, landlords should realize that, properly used, personal references can be a helpful screening tool and in some situations may be necessary.

Obviously, landlords must understand the differing values of reference sources. A parent’s reference may be of little value unless the parent is willing to provide a financial guaranty for the child’s lease, with a guaranty usually eliminating the need for qualifying the child. A reference from a pastor, priest, rabbi or other religious leader or from a former teacher, coun-

**Associate/Preferred  
Vendor List**

**First American Title Co.**  
417-623-1553  
**Apartment Finder of Springfield**

selor, coach, scout leader, or employer who has long-term knowledge of an applicant's character can be meaningful.

Landlords must also use care in selective use of this screening tool so as to avoid discrimination claims. It is important that the tool be used based on lack of credit or rental history, that is, financial or behavioral issues, not because of any characteristic that is prohibited by fair housing laws. However, if you understand and follow fair housing laws you shouldn't be afraid to exercise your right to adequately screen applicants.

### **Checking References**

References are of little or no value unless the landlord puts some effort into checking them. There is also a benefit to contacting personal references in that certain information supplied by the applicant on his rental application can be cross-checked with the reference. This allows the landlord to help determine the truthfulness of the applicant's statements and also to ferret out false references that would aid the applicant in trying to fool the landlord.

Landlords should also make some effort to verify the identity of references and confirm that phone numbers or other contact information provided is those of the purported reference.

It is important to schedule interviews for a time when both you and the reference will have sufficient opportunity to communicate. Listening skills are critical since some answers may require clarification before proceeding to the next question.

As with interviews of previous landlords, it is a good idea to use a prepared script in conducting reference interviews. It allows accomplishment of the task in a professional and efficient manner, and ensures all questions are asked of each reference of each applicant. The reference's responses to questions should also be recorded.

### **Some Possible Questions**

In what capacity does the reference know the applicant? Is he a relative, friend, teacher, etc? A reference from someone who is a relative or friend is less valuable than one who has dealt with the applicant on a business level or in some other capacity.

How long have the reference known the applicant? References usually carry more weight the longer the reference has known the applicant. However, recent knowledge is also important because people can change over the long term.

The value of a reference is greater when you are provided a detailed and believable context for his opinion of the applicant instead of only a generalized statement. The value of a reference also depends on whether or not you heard similar things from each reference you checked, but either way, the reference check will have provided valuable information.

### **Screening Services**

Most screening firms will not contact references. Even those that claim to confirm employment may in reality only look at employment information that appears on a credit report. The business model of screening services does not allow for the time required and the cost of adequately checking references. Additionally, checking references is a subjective task that does not fit the mathematical models used by most firms.

#### **About the Author**

YouCheckCredit.com has been providing online credit reports and background checks since 2000. If you have any questions, we can be contacted at [YouCheckCredit.com](http://YouCheckCredit.com), 3822 Campus Drive #200, Newport Beach, California. Toll Free number 1-866-666-8833 or [Articles@YouCheckCredit.com](mailto:Articles@YouCheckCredit.com)

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[www.moago.org](http://www.moago.org).

**10/3109**  
**Current Membership**  
**Count:**  
**45 Members Managing**  
**717 Properties**  
**2 Associate Members**

**Each member of this Association shall:**

- Strive continually to promote the education and fraternity of the membership and to promote the progress and dignity of the apartment/rental housing industry.
- Maintain and operate our apartment/rental housing projects in accordance with fair practices and in compliance with the By-Laws of the Association.
- Promote and maintain a high standard of integrity in the performance of all rental obligations and services in the operation of our apartment/rental housing projects.
- Establish high ethical standard of conduct with suppliers and other doing business with the apartment/rental housing industry.
- Endeavor to expose all schemes to misleads or defraud the apartment/rental housing residing public and to aid in the exposure of those responsible.
- Seek to provide better values in apartment/rental housing.

**Purpose**

- The purpose of this Association shall be:
- To advance the general welfare of the rental housing industry.
- To participate for the purpose of mutual benefit in an interchange of information and experience with all state and local affiliated associations of the National Apartment Association.
- To encourage within the apartment/rental housing industry a high appreciation of the objectives and responsibilities of apartment/rental housing owners and operators in providing adequate privately owned housing.
- To promote the enactment and enforcement of local, state and federal laws beneficial to the apartment/rental housing industry and free enterprise.
- To disseminate useful information to all members and inspire them to further educate themselves in the practical features of their apartment/rental housing operations.
- To advocate a code of ethics to maintain high professional standards and sound business methods among its members for the best interests of the industry and the public.

**Upcoming Events and Dates to Remember**

**November 17** regular membership meeting at 5:30 p.m. at Granny Shaffer's Restaurant.

Christmas party at 5:30 p.m. at Granny Shaffer's Restaurant.

**February 2** Board of Directors meeting at Keller/Williams Realty, 7th & Florida, Joplin, 6:00 p.m.

**December 1** Board of Directors meeting at Keller/Williams Realty, 7th & Florida, Joplin, 6:00 p.m.

**January 5** Board of Directors meeting at Keller/Williams Realty, 7th & Florida, Joplin, 6:00 p.m.

**February 16** regular membership meeting at 5:30 p.m. at Granny Shaffer's Restaurant.

**December 15** regular membership meeting and

**January 19** regular membership meeting at 5:30 p.m. at Granny Shaffer's Restaurant.

**March 2** Board of Directors meeting at Keller/Williams Realty, 7th & Florida, Joplin, 6:00 p.m.