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Next Meeting
Tuesday, September 15, 2009
 5:30 p.m. **Granny Shaffer's Restaurant**
Judge Copeland

Our next meeting will be this coming Tuesday, September 15, 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 **Judge Copeland** who presides over landlord/tenant court in Jasper County, MO. He is always an informative speaker bringing us the latest case studies.

ROBERT CAIN to Speak

Robert Cain, a nationally-recognized speaker and writer on property management and real estate issues will speak before our group. He is a graduate of the Realtor Institute, Licensed to teach Real Estate Continuing Education in the state of Washington and, has a Master's Degree in Adult Education and Distance Learning. Robert is the publisher of the *Rental Property Reporter*, *The Northwest Landlord*, and manuals, books and tapes on property management.

DATE: Saturday, September 19, 2009

LOCATION: Granny Shaffer's Restaurant, N. Range Line Rd., Joplin

REGISTRATION: 8:30 – 9:00 serving coffee & pastry

PROGRAM #1: 9:00 – 12:00 The Eleven Immutable Laws of Real Estate Investing ***Be sure and bring a calculator to this one!***

Follow these rules and you are just about assured that your real estate investment will turn a profit. The problem is that most investors buy on emotion. Of course, they deny it.

Continued on page 2.

rentlinx August Stats

32 properties listed
111 units
333 property views
1 web-lead

RentLinx

List your properties
Here for on-line
Search of available
Housing units
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 southwest Missouri, southeast Kansas, northeast Oklahoma and northwest 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!

ROBERT CAIN—cont. from page 1

But truth is they see a freshly painted building, bright shiny fixtures, and manicured landscape and they can't help themselves. They buy the place and ignore every warning sign that was jumping up to bite them.

- How much to invest in rehabbing a property
- How to avoid hidden problems
- What neighborhoods make the best investments
- When you make your profit

BREAK FOR LUNCH BUFFET – 12:00 – 1:00

PROGRAM #2: 1:00 – 5:00 How to Make More Money on Your Rental Property (Before It's Too Late)

This seminar is guaranteed to enable landlords and property managers to make more money on their rental property in a hot or slow market. These tricks, techniques and inside secrets are the compilation of years of being in the landlording business and listening to scores of landlords on "how they did it." At the end of

this seminar landlords who attend will:

- Be able to write a legal, effective ad
- Be able to create rental criteria that fits each of their properties and that eliminates bad tenants
- Be able to answer ad calls so they can screen out bad tenants and get the good ones to want to rush over
- Be able to screen applicants more effectively
- Be able to interview applicants and get them to tell the truth
- Know and be able to use effective techniques for profiting from deposits
- Be able to avoid "deadly tenant attitudes"
- Take more control of their rental property

MEMBER COST: Morning, Afternoon or All Day - \$10 per person (Thanks to our fund raising efforts!)

NON-MEMBER COST:
Morning Session \$35/person
Afternoon Session \$35/person
All Day Session \$60/person
All sessions include lunch buffet.

This meeting is open to the

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Associate/Preferred Vendor List

RentGrow—Tenant Screening
800-736-8476

First American Title Co.
417-623-1553

Apartment Finder of Springfield

Sarah Luce Reeder & Associates

Creative Investments, LLC.

Southwest Missouri Rental Housing Association
Minutes of Regular Membership meeting
Tuesday, August 18, 2009, Granny Shaffer's

Meeting called to order by President David Enke

Present: 27 members, 11 guests, and 1 speaker. Total 39

Visitors Present: Richard and Wilma Metsker, George and Sheila Ledford, David Pommert, John Pommert, Bobby D. Thomas, Mary Ellingwood, Colleen Friend, and Bruce and Joyce Rhodes.

New Members Present: None.

Treasurer's Report: None available.

Membership Report as of August 4, 2009: Total-to-Date; 50/888 & 5 Associates.

Upcoming Speakers: Judge Copeland, September 15th membership meeting speaker.
Saturday, September 19th- Robert Cain.

Tonight's speaker was: Randy Martin, Economic Security Corp. Weatherization program.

Tonight we ran out of raffle tickets. If you attend the September membership meeting you will receive 2 free tickets.

Reminders:

Next Board meeting will be September 1, at Keller Williams office at 6:00 p.m.

Next membership meeting will be September 15, at Granny Schaffer's.

Meeting adjourned at 7:30 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 advice 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.

What to Do When the Rent Is Late

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It is important that you do *something*. Unfortunately, too many landlords do nothing, hoping and praying the rent will show up soon, but absolutely sure that it won't. In order to get the rent on time consistently, you have to take action in your own behalf consistently.

Chances are the tenant did not pay the rent on time because he or she didn't have the money. *But, remember, somebody got paid.* Maybe it was the phone company, the doctor, the electric company, the car payment, or the credit card bill, but it wasn't you. The tenant paid the person who was going to bug them the most.

It's probably never happened to you, but there have been a couple of months in my life when I didn't have enough money to pay everybody. Who did I choose not to pay? The bill where they wouldn't call me about it and where it wouldn't go on my credit report. When a tenant decides who not to pay, the landlord often pops right to the top of the list. After all, most of the time the landlord won't even call, and the late payment doesn't appear on a credit report.

So what do you do when the rent is late? You have four options.

1. **File an eviction.** That often gets their attention and lets them know that you think the rent is more important than any other bill. But it also costs you money. If your rental agreement is worded properly, you can charge them for any eviction proceedings you have to file. Take it out of their security deposit.
2. **Get them to agree to a payment schedule.** Call to ask where the rent is. They will tell you they can have it in, say, a week. Get them to promise to have it by then or sign an agreement to pay it late. Add on the late fee.
3. **Get them to sign a promissory note.** When they do that, the rent is paid. You have accepted a note in place of a check (which, incidentally, is also a note). That means if they don't pay the promissory note, you can't evict for nonpayment of rent. You'd have to sue. The advantage is that the debt stops having anything to do with rent, and falls outside the realm of the Landlord-Tenant Law. That means you can sue them for it in small claims court and, presumably, get a judgment and writ of execution to attach any assets they own for the amount due.
4. **Get them to borrow the money from someone else.** *You didn't buy investment property to be a bank.* You are not in the business of loaning money. Make them get the money from someone besides you. There are relatives, friends, loan sharks, cash advances on credit cards, they can sell something...anything besides not paying the rent.

Tenants may not know you care if the rent is late unless you make it crystal clear to them. By jumping right on late rent payments, you not only get the rent, but you make them put you at the top of the list for bill payments, as well.

"From "Profitable Tenant Selection," available from ... Robert Cain is a nationally-recognized speaker and writer on property management and real estate issues. For a free sample copy of the Rental Property Reporter call 800-654-5456 or visit their web site at www.rentalprop.com."

Employee vs. Independent Contractor

Ten Tips for Business Owners

From: IRS Summertime Tax Tip 2009-20

If you are a small business owner, whether you hire people as independent contractors or as employees will impact how much taxes you pay and the amount of taxes you withhold from their paychecks. Additionally, it will affect how much additional cost your business must bear, what documents and information they must provide to you, and what tax documents you must give to them.

Here are the top ten things every business owner should know about hiring people as independent contractors versus hiring them as employees.

1. Three characteristics are used by the IRS to determine the relationship between businesses and workers: Behavioral Control, Financial Control, and the Type of Relationship.
2. Behavioral Control covers facts that show whether the business has a right to direct or control how the work is done through instructions, training or other means.
3. Financial Control covers facts that show whether the business has a right to direct or control the financial and business aspects of the worker's job.
4. The Type of Relationship factor relates to how the workers and the business owner perceive their relationship.
5. If you have the right to control or direct not only what is to be done, but also how it is to be done, then your workers are most likely employees.
6. If you can direct or control only the result of the work done—and not the means and methods of accomplishing the result—then your workers are probably independent contractors.
7. Employers who misclassify workers as independent contractors can end up with substantial tax bills. Additionally, they can face penalties for failing to pay employment taxes and for failing to file required tax forms.
8. Workers can avoid higher tax bills and lost benefits if they know their proper status.
9. Both employers and workers can ask the IRS to make a determination on whether a specific individual is an independent contractor or an employee by filing a Form SS-8—Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding—with the IRS.
10. You can learn more about the critical determination of a worker's status as an Independent Contractor or Employee at IRS.gov by selecting the Small Business link. Additional resources include IRS Publication 15-A, Employer's Supplemental Tax Guide; Publication 1779, Independent Contractor or Employee; and Publication 1976, Do You Qualify for Relief under Section 530? These publications and forms SS-8 are available on the IRS web site or by calling 800-829-3676.

The Lost Art of Checking References

by YouCheckCredit.com

Rental history is as important as credit history in your tenant screening process. In evaluating an applicant, the applicant's past use of credit management may be used as a predictive model of future credit management. Similarly, the applicant's past pattern of behavior with his landlord, fellow tenants, and fulfillment of contractual obligations (i.e. rental history) gives clues as to how he will conduct himself in the new rental environment. It is important to check each applicant's rental history in addition to his credit history because many types of tenant problem items do not make their way into a credit report.

In contacting previous landlord references, 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 behavior, can you determine if he will be a good fit for your rental unit.

Your rental application and/or a separate document should contain the applicant's written consent to contact landlord references as provided by the applicant and his authorization to those references to release rental history information.

Rental history information may be obtained from current and/or previous landlords through oral interviews with or using a standardized form that is mailed/emailed/faxed to each reference. The form will usually state that the applicant has applied for new rental housing and has given this contact information as a reference. The landlord is asked to complete the form and return it as soon as possible since in most cases the application will be on hold until all screenings have been performed.

Many landlords prefer to use the written questionnaire rather than conduct an interview. The form serves as written documentation of rental history and can be placed in the applicant's file for the appropriate retention period. Having a specific written form used consistently with each reference may also provide some protection against a charge of discrimination or the possibility of misunderstanding information during oral discussions.

However, interviewing previous landlords by phone has the advantage of immediately obtaining whatever information each landlord is willing to provide, avoiding the wait for responses that might never be coming. Furthermore, a previous landlord might be willing to say things over the phone that he would not be willing to put into writing.

Whichever method of contact works best for your particular comfort level and screening requirements, a certain amount of advance preparation is necessary to conduct a professional reference check and obtain an adequate and complete rental history.

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Networking with Neighbors

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The neighbors around your rental property are your allies. They see things and hear things that you can't, because you probably don't live near all of your rental properties. And they can pass along important information to you. If they are other tenants, so much the better, they already have your phone number. The trick is to give your phone number to the neighbors of your rental property who are not your tenants. There are two ways to pull this off.

First is to call them. If they are in the phone book that is easy. Usually they will be happy to talk to you. After all, it's their neighborhood you are wanting to keep up.

Second is not knock on their door. They will also probably be happy to talk with you at their door.

Either way, get their phone number as well. If you suspect that your tenants are not behaving the way you would prefer, call them to get their impressions. One of three things will happen. One, they won't have noticed anything and will tell you so; two, they will have noticed something and tell you about it; or three, they will have noticed something, won't tell you about it, but, since they are friends of the offending tenants, will tell him or her. Them telling the offending tenants that you were asking about them may be all that is needed to get them to clean up their act.

If the neighbors are having problems with the tenants, here is what to do.

1. Tell them you want to correct the problem, but need their help to stop the behavior and/or get the tenant out.
2. Ask them to document the instances noting time and date. Assure them that you will not tell the tenant where the information came from. Chances are you will get similar information from several neighbors, anyway.
3. Call them back or stop by their home in a week to collect the information.

At that point, you serve notice on the property that the tenant has 14 days to correct the violation of the rental agreement or move out in 30 days (or however it is done in your state). That is call a "30-day-with-cause" notice. It is important that you itemize exactly how and when the tenant has violated the rental agreement. The more specific you are, the better the effect on the tenant. If you have a problem drafting the letter properly, call your attorney. But get the evidence first.

If they do not correct the problem and do not move, you begin eviction proceedings.

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The Lost Art of Checking References—continued from page 6.

After preparing your list of questions, you need to make sure you ask those questions or mail your questionnaire to the valid and appropriate party to verify past rental history. Some applicants may try to use friends or family members as a landlord reference to avoid a bad report. How can you be sure you are contacting the real landlord or property manager? Using the rental information provided by the applicant, you can compare that information with the data found in the applicant's credit report. Do the addresses match? Can you verify the name of the property owner through a search of County records? If the property is a large multi-family apartment complex, a search of public phone directories or "for rent" publications will provide confirmation of telephone numbers. Further research or discussion with the applicant may be required to verify the phone number for owners or managers of smaller properties not managed by a property management company. If an interview is conducted, you can usually recognize an impostor since they will not have ready, specific answers to all questions.

It is best to have a written questionnaire that can also be used as a script for oral interviews. You do not want to forget to ask the important questions or fail to qualify answers that might be vague. As a fellow landlord, you understand time constraints and busy schedules, so by being prepared, you can accomplish your task and not waste time for either party. As your questions are answered, be sure to record those answers on your questionnaire sheet and retain the document in the applicant's file.

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 may be worried about confidentiality. You can assure them that you can provide the applicant's written authorization for release of information and any information obtained will be kept secure and remain confidential. Try to ask open-ended questions (the key words in an open-ended question begin with "who, what, why, and how") in order to draw out additional information. However, if nothing else, landlords may be willing to answer with a "yes" or "no" if specific questions are posed. Specific policy questions on issues such as smoking, pets, waterbeds, etc. can be included in your written questionnaire if they are important to your business. Neither you nor your prospective tenant want to be surprised at move-in.

Some current landlords may be unwilling to say anything derogatory about bad tenants because they would like to be rid of them and would be happy to transfer the problems to you. For this reason, it is always best to also contact the applicant's landlords prior to the current one rather than depending solely on a current referral. Most experienced landlords recommend asking the applicant to provide rental history for at least 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. For an applicant who has rented the same unit for more than a few years, it can be difficult to get history from more than the current landlord, but a long-term tenancy often is indicative of a good tenant.

At a minimum, you will want to confirm basic information such as dates of residency, the rent amount, the security deposit amount, and whether the landlord would rent again to this tenant. If only one question could be answered, it would be "would you rent to this tenant again?" This question only calls for a yes or no answer; although the silence before the answer could provide guidance without actually giving details.

You may also want to ask questions regarding a number of other issues. The answers to your questions should provide more details of the tenant's rental behaviors. Consider asking about:

- o Number of occupants in rental unit.
- o Number of lease signers.
- o Lease term - month-to-month or fixed term.
- o Was rent consistently paid in full and on due date?
- o Number of late payments.
- o Were late fees paid?
- o Were there any lease violations? Describe the nature of violations. Were legal notices issued for violations?
- o Were eviction proceedings ever begun?
- o Was tenant considered a good neighbor?
- o Was there any property damage?
- o What reason was given for the move-out?
- o Did the tenant give proper notice to vacate?
- o What was the condition of the unit at move-out?
- o Was the full security deposit refunded? Why not?

Did the tenant have pets? If so, what kind and were there any problems regarding the pets? Rental history should always be considered an important screening procedure that is utilized to the highest degree possible, with the results considered along with information provided from credit reports, eviction searches, and criminal record searches.

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, 3822 Campus Drive #200, Newport Beach, California. Toll Free number 1-866-666-8833 or Articles@YouCheckCredit.com

Proposed By-Law Changes

The Board of Directors has proposed the following change(s) to our By-laws. In accordance with the By-Laws, a 40-day notice is required before a vote can be held on the proposed changes. First notice was by e-mail to members on September 1. These changes will be voted on at our October meeting.

ARTICLE III Membership

Section 1: There shall be three **two** classes of membership as follows:

Owner Member: Owners and/or managers of rental housing or apartment dwellings. **A membership shall include anyone that shares a financial interest or management responsibilities in the property or properties.**

Manager Member: Property Managers who are employed by a Owner Member. This membership must

be attached to a existing Owner Member account.

Associate Members: Trades people who service, supply, or otherwise deal with rental housing; banks; building and loan associations and other mortgage lenders; title companies; insurance companies; and other person or institutions interested in and sympathetic with the objectives of the Association.

Section 2: Each Owner, Manager and Associate membership shall have one vote.

Section 3: Association members shall be admitted to membership by majority authorized vote of the membership at any meeting of the Association, or by majority vote of the Directors at any meeting of the Board of Directors, provided that applicants for membership shall have complied with requirements prescribed by Directors and general membership.

UPCOMING EVENTS!

The Board is planning several special events.

November will be our Fall Educational Seminar. This year, Sara Reeder & Associates will be presenting legal issues of landlord/tenant law. We will also have Judge Schoelburl host a mock trial in landlord/tenant court! Be sure to save these dates. We'll get you more information as soon as we have everything set! ***This is being pushed back from the end of October.***

We will allow for a discussion on these changes at the September and October meetings. If you have any suggestions or recommendations, please bring them forward at the meeting.

Robert Cain—continued from page 2

public. RSVPs will be greatly appreciated but are NOT required to attend. Seating will be limited to first 60 people. Preference will be given to all day attendees. Prepaid reservations **received prior to September 16** will be guaranteed seating. You may RSVP on our web site, www.swmorental.com; by e-mail: info@swmorental.com; or voice-mail: 417-781-3337. Mail pre-paid reservations to P O Box 1801, Joplin, MO 64802-1801. Only pre-paid reservations, cancelled prior to September 16 will be refunded

**SOUTHWEST
MISSOURI RENTAL
HOUSING
ASSOCIATION**

P O Box 1801
Joplin, MO 64802-1801

Phone: 417-781-3337
E-mail: info@swmorental.com

We're on the Web!
SWMORENTAL.com

'NO CALL' LIST

You may sign up for the Missouri Attorney General's "No Call" List. Call toll-free 1-866-NOCALL1 or log on to:

www.moago.org.

09/01/09

Current Membership

Count:

53 Members Managing

905 Properties

5 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

September 15 regular membership meeting 5:30 p.m. at Granny Shaffer's Restaurant.

September 19 Robert Cain Seminar 8:30-5:00 at Granny Shaffer's Restaurant.

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

October 20 regular membership meeting 5:30 p.m. at Granny Shaffer's Restaurant. Election of new officers and vot on By-law changes.

November 3 Board of Directors meeting at Keller/Williams Realty, 7th & Florida, Joplin, 6:00 p.m.

November 17 regular membership meeting at

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

November SPECIAL EDUCATIONAL SEMINAR on legal issues and a **MOCK LANDLORD/TENANT COURT** with a real judge! Watch for details.

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