

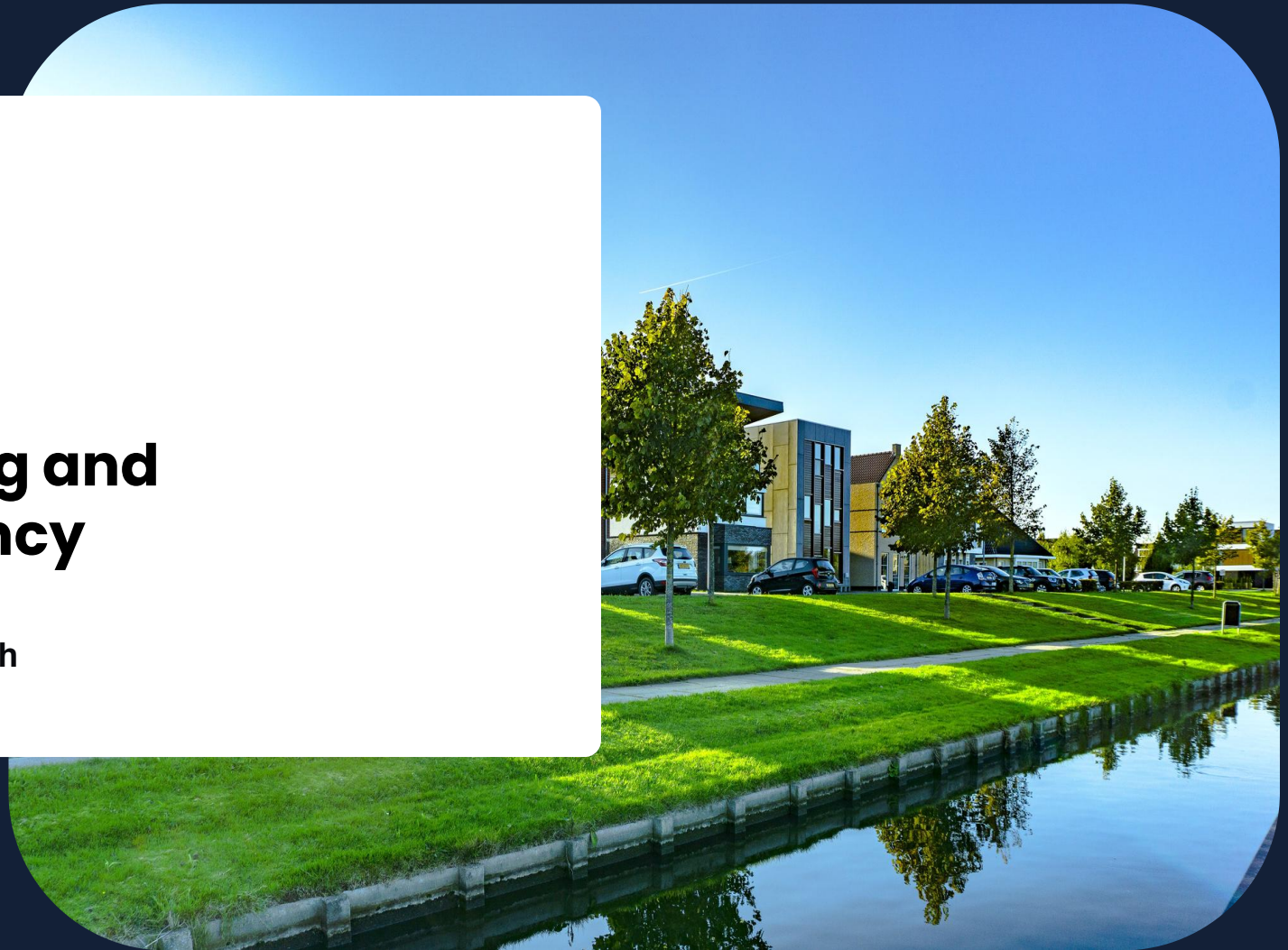


Module 6

Applicant Screening and Preparing for Tenancy

Rental Housing Association of Utah

rhautah.org



Learning Objectives

- 1.Preparing For Applicants
- 2.Application Process
- 3.Evaluating Applicants
- 4.Approving & Denying Applicants
- 5.Preparing to Sign the Lease

Section 1

Preparing For Applicants





Goals of Applicant Screening

The purpose of applicant screening is to determine if an applicant is a reasonable risk. The five things housing providers should look for are renters who will:

1. Pay on time
2. Not commit crime
3. Not bother the neighbors
4. Not damage the property
5. Honor the lease agreement

Goals of Applicant Screening

- A good screening process can save thousands of dollars in damages, legal costs, lost rent, etc
- Don't use your gut instinct or cross your fingers that everything will be ok. Mistakes are too costly
- Use the "First Qualified Applicant Rule". By taking one applicant at a time and comparing them to pre-set "rental criteria". Never look for a "best match" or compare applicants to each other



Step 1 – Rental Criteria

State law requires operators who charge application fees to disclose the factors they use to determine eligibility requirements. This is called rental criteria.

Each applicant is then compared to these criteria.

If they qualify, you should notify the applicant that they have been approved and have them sign the lease within a set period of time, like 24 – 48 hours.

Making Rental Criteria Clear and Specific

Criteria must be specific enough to produce consistent outcomes when applied by different staff to different applicants.

Examples of Vague Criteria - not defensible:

- "Sufficient income" - Could be applied differently by every leasing agent
- "Good rental history required" - Subjective

Specific — defensible:

- "Gross monthly income of at least 3x monthly rent" - consistent, measurable, auditable
- "Applicants may be rejected if they have had evictions defaults/late payments" – clear and measurable

Example of Written Criteria

Criteria Category	Written Standard Required
Income	Gross monthly income = defined multiple (commonly 2.5x–3x)
Credit History	Defined minimum score threshold or evaluation of specific derogatory items
Rental History	Prior landlord references, eviction history, lease compliance record
Criminal Background	HUD individualized assessment: nature, time, rehabilitation, safety relevance
Occupancy Standards	Based on unit size and legitimate health/safety factors

Sample Rental Criteria

SAMPLE RENTAL CRITERIA

The following standards will be used to judge your application for tenancy. You must meet the following standards to qualify to sign a rental agreement with us. Applicants are judged on the same standards on a first-come-first-serve basis, one person or family at a time. Any false statements or inconsistencies on the application will result in an automatic denial.

\$ (Owner/Manager sets the amount.) NON-REFUNDABLE APPLICATION FEE: Each applicant over the age of 18 must pay an application fee and consent to have a background check done on them. Co-signers must also pay an application fee and give the same consent as other applicants.

SECURITY DEPOSIT: Applicants must provide payment for the full amount of the security deposit (including any additional deposit amounts for pets or other reasons) for the application to be considered complete. The deposit will be returned if the application is denied.

PHOTO IDENTIFICATION: All applicants over the age of 18 must provide current government-issued photo identification at the time of application.

EMPLOYMENT REQUIREMENTS: Employment history should show that the applicant has been employed with their current employer for at least 6 months. Exceptions can be made for recent graduates who provide proof of graduation, current students who provide proof of enrollment, and self-employed applicants who provide a CAP-prepared financial statement or most-recent tax return. Applicants with less than 6 months of employment with current employer may be approved if they pay an additional security deposit or have an approved co-signer and provide proof that they have been employed with their current employer for 2 months or were employed with their previous employer for at least 6 months. All employment history will be verified by contacting the employer.

INCOME REQUIREMENTS: The combined income of all persons living in the rental must be at least three times the monthly rent. Applicants who do not have the requisite income will be considered if they provide a co-signer or provide proof of cash reserves equal to at least 12 times the monthly rent.

RENTAL HISTORY: Applicants must provide the name and contact information for their previous two housing providers, or all housing providers in the last five years. Applicants must also provide all of the addresses they have lived at for the last five years. Applicants will not be approved if they have had any evictions, defaults in lease agreements, late rental payments, or if they owe any money to any other housing provider.

RENTER'S INSURANCE: Applicants must have renter's insurance before occupying the premises.

Sample Rental Criteria (Cont.)

CREDIT HISTORY: Your credit must reflect that all accounts are current. Applications for tenancy will be denied if you have filed for bankruptcy in the last 2 years, or if you have any bankruptcies that have not been discharged at least one year prior to the application. All collection accounts must be “paid in full/ as agreed.” Applicants with past-due accounts or accounts in collections may qualify if they pay an additional security deposit or have an approved co-signer.

CRIMINAL HISTORY: Your application may be rejected if you have been convicted in the last 5 years of any crime against person or property that would present a threat to the owners or neighbors, or the rental property. Applicants on probation or parole must provide contact information for their parole officer. Applicants on a publicly available list of offenders who are required to publish their address will be denied.

MAXIMUM OCCUPANCY: 2 occupants per bedroom, plus an additional occupant for each apartment home. (e.g., 3 in a one bedroom/studio, 5 in a two bedroom, 7 in a three bedroom, etc.)

PETS: Pets may be approved if they meet the following requirements: a good reference from the previous housing provider for the pet’s behavior, a complete veterinary medical history (including immunizations and sterilization) is provided, an additional deposit is paid, and an additional amount of “pet rent” is agreed upon. The owner reserves the right to deny the application based on the size, species, or breed of the pet.

If your application is approved, you will be notified. You will have 48 hours from the notification of your approval to sign a lease agreement. If you do not, then other applicants may be considered and given the opportunity to sign a lease.

We are committed to equal housing opportunity and provide housing opportunities regardless of race, color, religion, sex, national origin, physical or mental disability, familial status, source of income, sexual orientation, or gender identity.

Jan 01 2024

Standards to Judge Application

Rental operators should inform prospects that they are evaluated one at a time on a first come first serve basis against the rental criteria.

They should also disclose that any false statements or inconsistencies in the application will result in automatic denial.

Rent, Fees, Deposits

RENT:

- List the specific rent amount you are asking for

NON-REFUNDABLE APPLICATION FEE:

- List the amount of the processing fee for each applicant 18 and older including co-signers

SECURITY DEPOSIT:

- List the amount of any refundable security deposit & non-refundable fee (if required)
- Disclose when applicants must provide payment for the full amount of the security deposit (including any additional deposit amounts for pets or other reasons). Clarify that the deposit will be returned if the application is denied

Photo ID

Rental operators should require valid photo ID from each applicant over the age of 18. Not only does this make identity fraud more difficult, but we also collect ID to promote the safety of our staff when they are showing apartments or homes.

Employment Requirements

- Verifying consistent income is an essential screening component
- Many people rely on income from employment
- Paystubs and bank statements may be more realistic methods for verification than calls



Income Requirements

- Housing experts suggest that people spend no more than $\frac{1}{3}$ of their income on rent
- In some situations, it may be appropriate to modify the “triple rent rule”



Rental History

- The Best indicator of future performance is often past performance
- Previous landlords can answer questions that will help you determine if the renter is qualified
- Common red flags in rental history include:
 - Evictions
 - Defaults in lease agreements
 - Multiple late rent payments
 - Owning money to another landlord



Renters Insurance

Landlords may
require proof of
renter's insurance

Credit History

- Type of credit is more important than score
- Red flags may include:
 - Bankruptcies
 - Judgments/Collection Accounts
 - Foreclosures & Repossessions
 - Utility judgements

What Credit Reports Reveal

- A history of the applicant's accounts, payment patterns, derogatory items, public records, and inquiries
- Most operationally relevant screening elements:
 - Credit score — a numerical summary of creditworthiness
 - Payment history on existing obligations
 - Collection accounts — age, amount, and type
 - Judgments, including prior eviction judgments
 - Patterns of account delinquency
- A credit report does not predict rent payment — it shows how the applicant has managed prior financial obligations

Evaluating Collections and Bankruptcies

High Risk

- Active eviction judgment within the past year
- Multiple recent delinquencies across accounts
- Large collections currently outstanding
- Bankruptcy with new delinquencies since discharge

Low Risk

- Medical collection from 5+ years ago, paid
- Bankruptcy discharged 3 years ago with clean record since
- Isolated collection with otherwise stable payment history
- Demonstrated financial recovery after derogatory items

Evaluating Collections and Bankruptcies

- Collection accounts and bankruptcies require individualized evaluation, not automatic disqualification
- Automatic disqualification for any bankruptcy or any collection without distinguishing type, age, or amount is difficult to justify as a legitimate business necessity if challenged
- Written criteria should distinguish between types of derogatory items and establish specific standards for each

Criminal History

- When setting criminal history criteria consider:
 - Types of criminal offenses that may disqualify them
 - Length of time from offense
 - PR implications of someone on a publicly available registry
 - Instead of criminal exclusion, determine what history might not be disqualifying

Criminal History (Continued)

Some prospective renters have a serious criminal history that may make them a significant risk. Housing providers are encouraged to carefully evaluate an applicant's criminal background. Four of the riskiest types of criminal behavior are violent crimes, drug crimes (use, possession or distribution), property crimes, and sex crimes. Individuals who have committed one of those crimes in the last few years are highly likely to do it again.

Criminal Background Screening and Fair Housing Considerations

Blanket disqualification for any criminal history produces disparate impact on protected racial and ethnic groups without a demonstrable relationship to a legitimate safety goal.

- Arrest and conviction records are not uniformly distributed across the population
- A blanket denial policy regardless of nature, severity, or age of offense, is not defensible
- The goal is to evaluate genuine safety risk, not to exclude categorical populations

Arrests vs. Convictions

- An arrest without a conviction is not evidence that the arrested person committed any offense
- An arrest reflects a law enforcement decision to take someone into custody — not an adjudication of guilt
- Arrest rates, like conviction rates, are not uniformly distributed across protected groups
- Written criteria must explicitly distinguish between arrests and convictions

Avoiding Automatic Denials for Rental History

- A blanket ban on any criminal history, regardless of nature, severity, or age is not advisable.
- Work with legal counsel to develop criteria that identify specific categories of conviction that present a demonstrable safety concern:
 - Violent offenses within a defined time period
 - Certain sex offenses, particularly those requiring registration
 - Offenses directly related to property destruction or tenancy conduct
- Provide for individualized evaluation of all other criminal history
- Do not treat all criminal history as equivalent. Focus on criminal acts that could a risk to the property, residents or management

Balancing Resident Safety and Compliance

- Property managers have a legitimate interest in maintaining the safety of residents and the property — this interest is recognized in Fair Housing law
- A denial based on criminal history that represents a genuine, documented threat to safety is defensible
- The key requirements:
 - The determination must be based on the specific facts of the applicant's history
 - It must be documented through an individualized assessment
 - It must be applied consistently to all applicants — not selectively
- When a criminal background denial is made, document the specific conviction history considered, the assessment performed, and the conclusion reached



Occupancy History

- Landlords may want to limit the number of occupants in a residence
- When dealing with families use the following standard:
 - 2 occupants per bedroom, plus an additional occupant for each rental home. (e.g., 3 in a one bedroom/studio, 5 in a two bedroom, 7 in a three bedroom, etc.)

Pets

- Landlords may prohibit/regulate the following:
 - Breed & size animals allowed
 - If there are additional fees and deposits for pets
- *Assistance animals are **NOT** pets and you may have to allow prohibited animals and waive any additional costs

What Happens When You're Approved

Rental operators should disclose their policy for applicant approvals including:

- How you will be notified
- How quickly you will be required to sign a lease
- That if you don't sign a lease by the required time, other applicants may be considered instead

Equal Housing Opportunity



Housing isn't a right, but opportunity should never be denied because of membership in a protected class.

We are committed to equal housing opportunity and provide housing opportunity regardless of race, color, religion, sex, national origin, physical or mental disability, source of income, sexual orientation or gender identity.





First Qualified Applicant Rule

Housing professionals follow federal and state fair housing law. This means they evaluate applicants one at a time and compare them to their rental criteria.

First Qualified Applicant Rule and Consistent Processing

- Process applications in chronological order of receipt
- Offer the unit to the first applicant whose file satisfies all written criteria
- The unit is not held open for comparison between multiple qualified applicants
- No subjective judgment about which qualified applicant is "preferable" influences the outcome
- Selection is driven by two objective factors only:
 - The order in which the application was received
 - Whether the application satisfies all written criteria

Why This Framework Reduces Liability

- Approving a married couple over a single parent because they "seem more stable" = subjective judgment = Fair Housing exposure
- Approving the application received 45 minutes earlier that meets all written criteria = documented, objective, defensible
- The framework also eliminates the temptation to hold a unit while waiting for a "better" applicant
- Holding a unit after a qualified application is received creates liability if the eventual approval goes to an applicant from a different demographic
- The chronological framework removes this discretion entirely — once an application is complete and qualifies, the processing decision is made

Application Timing and Availability

- Management should not accept application fees for units that are not available for rent
- Collecting application fees when no available unit exists:
 - Is one of the most common DRE complaint triggers in Utah
 - Creates consumer protection exposure
 - Damages the trust relationship with the applicant
- If a unit is expected to become available — management may accept applications with disclosure of the anticipated availability date
- That date must be a genuine estimate — not a placeholder used to generate application fee revenue

Introduction to Rental Disclosures

- In Utah, it is the lease agreement that sets prices and defines duties and obligations of the parties. However, it can be helpful to summarize all major expenses up front.
- A good rental expenses disclosure process can increase renters' understanding of the true cost of renting. It also shows you were clear and transparent with them.



Why Provide Rental Disclosures

- Rental criteria are valuable for both housing providers and renters
- They provide a baseline for housing providers to evaluate applicants to determine if the applicant qualifies
- They let prospective renters know what is required and what would be disqualifying

Where to Provide Rental Disclosures?

State law requires housing providers to disclose a rental expenses summary.

This can be done in:

- Advertising (websites or rental listings)
- Rental criteria
- Part of your application process

Rental Expenses Disclosure

Utah requires housing providers to disclose a rental expenses summary. This can be done in advertising or along with rental criteria.

Key elements you will want to disclose up front, either in advertising, in your rental criteria, or as part of your application process are:

- Rent and all monthly fees renters are responsible for
- For set fees, the amount should be disclosed; for variable fees, just state that there is a variable fee
- Any utilities the renter is responsible for and if they pay you or get the bill in their name
- Other fees that can be charged if the renter violates the contract (late fees, re-key charges, etc.).
- Any additional obligations, such as, maintaining yard, etc.



RENTAL EXPENSES DISCLOSURE

Rental Information:

Property Address: _____

Owner/Property Manager Name: _____

Phone Number: _____ Email: _____

This rental disclosure is given pursuant to Utah law. This is not a contract nor is it legally binding as to the amounts or terms. The final rental agreement is the binding document. The information contained herein is valid as of the date below. You should request additional disclosure if the application process is not completed timely. Rental amounts may fluctuate based upon availability and market conditions.

You should review the lease agreement before signing. After application, if the terms of the lease are different than those disclosed herein and you determine not to accept those terms, you may be entitled to a refund of the application fees paid. After rejection of the lease terms due to the differences or non-disclosures, you may request such refund if made in writing within five business days, specifically stating the differences and the cause for such request. The request must be made as required by Utah law.

Total Due at Lease Signing: \$ _____	Utilities that must be in tenant's name include: _____ _____ _____
Rent \$ _____	
Refundable Deposit \$ _____	
Lease Initiation Fee \$ _____	
Late Rent Fee: \$ _____ after 5 PM on _____ of month	Other Obligations: _____ _____ _____
Service of Notice Fee \$ _____	☐ Check box if resident is responsible for exterior maintenance including lawn, yard and snow removal
Eviction Turnover Fee \$ _____	<i>For more information on expenses and fees and when they are charged, see your rental agreement.</i>
Tenant Change Fee \$ _____	
Re-Key Fee \$ _____	

Monthly Obligation	If Fixed Each Month, List the Amount	If Variable, Mark an X	If Not Applicable, Mark an X
(Describe):			
(Describe):			
(Describe):			
(Describe):			
(Describe):			

Other elective services and options may be offered that you are not required to accept. These may include but are not limited to parking, washer/dryer, pets, valet garbage, and internet/cable.

In addition, the rental agreement will contain fees, fines and costs related to breaches of the lease or actions taken (or not taken). These may include but are not limited to late fees, service of notice fees, eviction fees, tenant change fees, re-key fees, violation fines, and costs for damages.

Date: _____

Renter Signature: _____

Renter Signature: _____

Renter Signature: _____



Disclosing Rents & fees

- Disclose the following:
 - Rent and all monthly fees/costs
 - For set fees, the set amount; for variable fees, indicate that there is a variable fee



Utilities and Obligations

- Disclose any utilities the renter is responsible for, what must be in their name, and what is paid to landlord
- List fees that will be charged if the renter violates the contract (late fees, lease change fees, re-key charges etc.)
- List additional obligations, such as, yard maintenance, etc.



Wrap Up and Summary

Housing providers who do a great job of disclosing all the expenses of renting up front have happier renters and fewer problems with misunderstood expectations.

Section 1 Knowledge Check

According to the deck, what is the purpose of applicant screening?

A To find the single best renter among all applicants who apply

B To determine if an applicant is a reasonable risk

C To confirm the applicant can pay the first month's rent in cash

D To make sure each applicant is a good personal fit for the neighbors

Section 1 Knowledge Check

According to the deck, what is the purpose of applicant screening?

A To find the single best renter among all applicants who apply

B To determine if an applicant is a reasonable risk

Correct

C To confirm the applicant can pay the first month's rent in cash

D To make sure each applicant is a good personal fit for the neighbors

Answer: B. The purpose of applicant screening is to determine if an applicant is a reasonable risk: someone who will pay on time, not commit crime, not bother neighbors, not damage the property, and honor the lease. **See slide 4.**

Section 1 Knowledge Check

How does the “First Qualified Applicant Rule” work?

A Collect several applications, then pick the strongest applicant

B Approve whichever applicant offers the largest security deposit

C Hold the unit open until at least two qualified applicants can be compared

D Take one applicant at a time and compare them to pre-set rental criteria

Section 1 Knowledge Check

How does the “First Qualified Applicant Rule” work?

A Collect several applications, then pick the strongest applicant

B Approve whichever applicant offers the largest security deposit

C Hold the unit open until at least two qualified applicants can be compared

D Take one applicant at a time and compare them to pre-set rental criteria

Correct

Answer: D. Applicants are evaluated one at a time against pre-set rental criteria. Never look for a “best match” or compare applicants to each other. **See slides 5 and 32.**

Section 1 Knowledge Check

Which rental criterion is specific enough to be defensible?

A "Gross monthly income of at least 3x monthly rent"

B "Sufficient income"

C "Good rental history required"

D "Stable employment preferred"

Section 1 Knowledge Check

Which rental criterion is specific enough to be defensible?

Correct

A "Gross monthly income of at least 3x monthly rent"

B "Sufficient income"

C "Good rental history required"

D "Stable employment preferred"

Answer: A. Criteria must produce consistent outcomes when applied by different staff. A 3x-rent income standard is consistent, measurable and auditable; "sufficient income" and "good rental history" are vague and subjective. **See slide 7.**

Section 1 Knowledge Check

How should collection accounts and bankruptcies be handled in screening criteria?

A Automatically disqualify any applicant with a bankruptcy

B Ignore them, since credit reports cannot be used in screening

C Evaluate them individually, distinguishing type, age, and amount

D Treat every collection account the same, regardless of age or amount

Section 1 Knowledge Check

How should collection accounts and bankruptcies be handled in screening criteria?

A Automatically disqualify any applicant with a bankruptcy

B Ignore them, since credit reports cannot be used in screening

C Evaluate them individually, distinguishing type, age, and amount

Correct

D Treat every collection account the same, regardless of age or amount

Answer: C. Collections and bankruptcies require individualized evaluation, not automatic disqualification. Blanket disqualification without distinguishing type, age, or amount is difficult to justify if challenged. **See slides 20 and 21.**

Section 1 Knowledge Check

What does the deck say about arrests compared with convictions?

A An arrest record should be treated the same as a conviction

B Arrests may be used, but convictions may not be considered

C Written criteria must explicitly distinguish between arrests and convictions

D An arrest is an adjudication of guilt by law enforcement

Section 1 Knowledge Check

What does the deck say about arrests compared with convictions?

A An arrest record should be treated the same as a conviction

B Arrests may be used, but convictions may not be considered

C Written criteria must explicitly distinguish between arrests and convictions

Correct

D An arrest is an adjudication of guilt by law enforcement

Answer: C. An arrest without a conviction is not evidence that the person committed any offense, so written criteria must explicitly distinguish between arrests and convictions. **See slide 25.**

Section 1 Knowledge Check

Using the occupancy standard in the deck, how many occupants may live in a two-bedroom rental?

A 5

B 4

C 6

D 7

Section 1 Knowledge Check

Using the occupancy standard in the deck, how many occupants may live in a two-bedroom rental?

Correct

A 5

B 4

C 6

D 7

Answer: A. The standard is 2 occupants per bedroom plus one additional occupant for the rental home, which allows 5 occupants in a two-bedroom unit. **See slide 28.**

Section 2

Application Process



Advertising & Marketing

Once you have created rental criteria and expense disclosures, you can begin marketing your property. When a prospect is interested in your property, have them complete a rental application.

Before moving forward, many providers collect an application fee and deposit.

Accepting Applications

- Everyone over the age of 18 that will live in the rental should fill out an application
- A background check should be performed on each applicant. If they qualify, all applicants should be signers on the lease
- Housing providers should protect personal information, such as using password protected digital files, double-locked filing cabinets, never leaving files with personal information out, etc.



Elements of a Rental Application

The following information is needed to evaluate against written criteria:

- Identity, SSN, DOB, and current/prior address history
- Employment and income information
- Rental history and prior landlord references
- Consent to background and credit screening

Don't ask questions designed to reveal protected class membership including:

- National origin, religion, disability, number of children, marital status, other protected class related information

Federal Fair Credit Reporting Act (FCRA) Consent

FCRA — LEGAL PREREQUISITE

A consumer report may NOT be obtained without the applicant's specific written consent.

- **MAKE SURE ALL APPLICANTS SIGN APPLICATION FORM**
- Consent must specifically authorize the housing operator to run consumer reports: credit, criminal background, and eviction history
- Use application forms reviewed by legal counsel to ensure consent language is adequate

Civil Penalties and Liability Exposure

\$10K

First Fair Housing Violation

Administrative fine, escalating penalties for subsequent violations

\$1K

Per FCRA Violation

Statutory damages per violation; willful violations may produce punitive damages

\$0

Actual Harm Required

Fair Housing testers can generate complaints without any applicant being harmed

These exposures arise independently from the same screening transaction. Consistency, not good intentions is the protection.

Application Intake and Date-Stamping



- The moment an application is received must be documented, date AND time
- In a First Qualified Applicant system, chronological order determines processing priority
- An application received at 2:14 PM Tuesday has priority over one received at 9:30 AM Wednesday
- Online applications carry automatic timestamps. Manual submissions require notation at the moment of receipt
- Inconsistency in stamping procedures creates exactly the operational gap Fair Housing investigations exploit

When is an Applicant in Line

Applicants are not in line until:

- They have submitted a fully completed application
- They have paid all fees and deposits required

NOTE: Operators may not require fees to view or tour a unit but can require ID and an application for security purposes

In other words, if someone is working with you but has not submitted their application and made payments, they are not in line and you can go on to the next person

Handling Incomplete Applications

- Incomplete applications must be handled consistently — regardless of how promising the applicant appears
- Define the policy in writing — apply it uniformly to every incomplete application:
- Option A: Hold incomplete applications pending completion
- Option B: Deny and require resubmission
- Whichever procedure is chosen — it must apply to all incomplete applications
- Selectively following up with some applicants while letting others expire creates disparate treatment exposure
- If rejected as incomplete: notify in writing, identify what is missing, explain the resubmission process

Communication Standards During the Application Process

Correct - Legal

- Every applicant communication: phone, email, text, in person is a potential compliance record
- When asked about approval likelihood reference the written criteria, not a subjective assessment
- Many disputes arise from informal statements not from formal screening decisions

Incorrect - Illegal

- Staff can suggest a property is "better suited" for certain household types
- Staff provides different information about availability to different callers
- Staff must not discourage inquiry based on any protected characteristic

Application Fees

- Before rental operators can charge an application fee in Utah, state statute requires they provide rental criteria and rental expense disclosures
- Application fees cover the cost of background checks

Waitlists

- When a unit is not currently available, management may maintain a waitlist
- Waitlists must be maintained in documented chronological order, not informally in a leasing agent's notes
- An informal waitlist provides no Fair Housing protection
- Waitlist applicants should receive written confirmation of:
 - Their place on the list
 - The criteria that will be applied when a unit becomes available
 - The process by which they will be notified
- If a waitlist applicant is passed over, the basis must be documented and consistent with written criteria

Application Timing and Availability

- Management should not accept application fees for units that are not available for rent
- Collecting application fees when no available unit exists:
 - Is one of the most common DRE complaint triggers in Utah
 - Creates consumer protection exposure
 - Damages the trust relationship with the applicant
- If a unit is expected to become available — management may accept applications with disclosure of the anticipated availability date

Security Deposits – Purpose

- The purpose of a security deposit is to protect the landlord from financial loss if the tenant:
 - Damages the property
 - Fails to pay rent
 - Breaks the lease terms
- The purpose of collecting a security deposit with the application, is to assure that the applicant is serious and qualified.

When are Security Deposits Collected

- Most rental operators collect deposits either with the application or upon approval of the application
- One reason for collecting a security deposit with the application, is to assure that the applicant is serious and qualified

Security Deposits Obligations

Operators must hold on to deposits and refund them upon move out minus any damages.

Additional Security Deposits for Risk Mitigation

In some circumstances, a tenant who does not qualify under the regular criteria , may be allowed to rent if they provide additional deposit/a co-signer



Setting Security Deposit Amount

- When selecting how much to charge, you should consider:
 - The potential damages that can be caused
 - What the market will bear

Section 2 Knowledge Check

Under the Fair Credit Reporting Act (FCRA), when may a consumer report be obtained on an applicant?

- A** Any time an applicant tours the unit
- B** Whenever the applicant gives verbal permission over the phone
- C** Only after the applicant has signed the lease
- D** Only with the applicant's specific written consent

Section 2 Knowledge Check

Under the Fair Credit Reporting Act (FCRA), when may a consumer report be obtained on an applicant?

A Any time an applicant tours the unit

B Whenever the applicant gives verbal permission over the phone

C Only after the applicant has signed the lease

D Only with the applicant's specific written consent

Correct

Answer: D. FCRA is a legal prerequisite: a consumer report may not be obtained without the applicant's specific written consent, so all applicants must sign the application form. **See slide 59.**

Section 2 Knowledge Check

An application arrives at 2:14 PM Tuesday and another at 9:30 AM Wednesday. Which statement is correct?

A The Wednesday application has priority because it arrived earlier in the day

B The Tuesday application has processing priority

C Both are processed together and the stronger applicant is chosen

D Priority goes to whichever applicant is first to call back

Section 2 Knowledge Check

An application arrives at 2:14 PM Tuesday and another at 9:30 AM Wednesday. Which statement is correct?

A The Wednesday application has priority because it arrived earlier in the day

B The Tuesday application has processing priority

Correct

C Both are processed together and the stronger applicant is chosen

D Priority goes to whichever applicant is first to call back

Answer: B. In a First Qualified Applicant system, chronological order determines processing priority, so the receipt date AND time must be documented. **See slide 61.**

Section 2 Knowledge Check

When is an applicant considered “in line” for a unit?

A

After submitting a fully completed application and paying all required fees and deposits

B

As soon as they tour the unit

C

When they tell the leasing agent they want the unit

D

After they submit an application, even if fees are still unpaid

Section 2 Knowledge Check

When is an applicant considered “in line” for a unit?

Correct

- A** After submitting a fully completed application and paying all required fees and deposits
- B** As soon as they tour the unit
- C** When they tell the leasing agent they want the unit
- D** After they submit an application, even if fees are still unpaid

Answer: A. Applicants are not in line until they have submitted a fully completed application and paid all required fees and deposits. **See slide 62.**

Section 2 Knowledge Check

Which approach to incomplete applications is correct?

A Follow up only with applicants who seem most promising

B Let incomplete applications expire without notice

C Choose one written procedure and apply it to every incomplete application

D Decide case by case depending on how busy the office is

Section 2 Knowledge Check

Which approach to incomplete applications is correct?

A Follow up only with applicants who seem most promising

B Let incomplete applications expire without notice

C Choose one written procedure and apply it to every incomplete application

Correct

D Decide case by case depending on how busy the office is

Answer: C. Whichever procedure is chosen must apply to all incomplete applications. Selectively following up with some applicants creates disparate treatment exposure. **See slide 63.**

Section 2 Knowledge Check

What must rental operators provide before charging an application fee in Utah?

A A signed lease and a move-in checklist

B Rental criteria and rental expense disclosures

C A copy of the applicant's credit report

D Proof of the applicant's renter's insurance

Section 2 Knowledge Check

What must rental operators provide before charging an application fee in Utah?

A A signed lease and a move-in checklist

B Rental criteria and rental expense disclosures

Correct

C A copy of the applicant's credit report

D Proof of the applicant's renter's insurance

Answer: B. State statute requires rental operators to provide rental criteria and rental expense disclosures before they can charge an application fee. **See slide 65.**

Section 2 Knowledge Check

How must a waitlist be maintained?

- A** Informally in a leasing agent's notes
- B** Ranked by which applicants seem most qualified
- C** However each leasing agent prefers
- D** In documented chronological order

Section 2 Knowledge Check

How must a waitlist be maintained?

- A** Informally in a leasing agent's notes
- B** Ranked by which applicants seem most qualified
- C** However each leasing agent prefers
- D** In documented chronological order

Correct

Answer: D. Waitlists must be kept in documented chronological order, not informally in a leasing agent's notes. An informal waitlist provides no Fair Housing protection. **See slide 66.**

Section 3

Evaluating Applicants



Landlords are Advised to Evaluate the Following:

1. Credit history
2. Criminal history
3. Financial history (income, employment and overall financial stability)
4. Current/Previous housing provider references

Landlords are Advised to Evaluate the Following (Continued)

Verifying multiple areas reduces risk significantly. It is easy for an applicant to lie or misrepresent in one or two areas. Checking multiple areas makes it more likely we will catch any bad history or serious concerns.

Credit

The first area rental operators typically check is an applicant's credit.

Why is Credit Important for Renters

- The key consideration is risk. Applicants with poor credit are risky because:
 - They might have their wages garnished and be unable to pay rent
 - If they leave and owe the housing provider money, it will be difficult to collect from them
 - If they declare bankruptcy during an eviction, it can delay and drag out the process
 - Applicants who are irresponsible with their credit are usually irresponsible in other areas of their life and could default

Authorization Required

When checking an applicant's credit, you must have the applicant's consent. This is typically given in a signed release on the rental application.

Always use a third party. **NEVER** Accept records directly from a prospect.

Credit Red Flags

To a housing provider, the riskiest things on a credit report are generally:

- Bankruptcies
- Judgments and collection accounts
- Evictions, foreclosures, and repossessions (shows a history of using things without paying)
- Utility collections accounts (shows they can't get the utilities in their name)

Qualifying with Poor Credit

- Many housing providers have a policy that an applicant who doesn't have great credit can still qualify by putting down a larger deposit or having a co-signer.
- Be sure you implement the policy consistently in order to avoid discrimination complaints.

What Credit Reports Reveal

A history of the applicant's accounts, payment patterns, derogatory items, public records, and inquiries.

- Most operationally relevant screening elements:
 - **Credit report**, summary of creditworthiness
 - **Payment history** on existing obligations
 - **Collection accounts** age, amount, and type
 - **Judgments**, including prior eviction judgments
 - **Patterns** of account delinquency

A credit report does not predict rent payment it shows how the applicant has managed prior financial obligations.

Debt-to-Income Analysis

- Some screening systems evaluate the percentage of monthly income consumed by existing debt obligations
- A tenant with \$4,500/month income and \$1,800 in monthly debt payments may present higher risk than an applicant with the same income and minimal existing debt
- Debt-to-income analysis, when used, must be documented as part of the written criteria and applied consistently

Caution on Threshold Setting

- Student loan obligations, medical debt, and child support payments may appear prominently in certain demographic groups
- Overly restrictive thresholds can create disparate impact concerns — work with legal counsel

Evaluating Collections and Bankruptcies

High Risk

- Active eviction judgment within the past year
- Multiple recent delinquencies across accounts
- Large collections currently outstanding
- Bankruptcy with new delinquencies since discharge

Low Risk

- Medical collection from 5+ years ago, paid
- Bankruptcy discharged 3 years ago with clean record since
- Isolated collection with otherwise stable payment history
- Demonstrated financial recovery after derogatory items

Evaluating Collections and Bankruptcies

- Collection accounts and bankruptcies require individualized evaluation — not automatic disqualification
- Automatic disqualification for any bankruptcy or any collection — without distinguishing type, age, or amount — is difficult to justify as a legitimate business necessity if challenged
- Written criteria should distinguish between types of derogatory items and establish specific standards for each
- Management companies should work with legal counsel to develop credit evaluation standards that are realistic risk-management tools — not reflexive exclusions

Criminal

Rental operators need to know about risks posed by individuals with a history of criminal activity.

Criminal

Some prospective renters have a serious criminal history that may make them a significant risk.

Housing Providers are encouraged to carefully evaluate an applicant's criminal background.

Riskiest Types of Criminal History

- Four of the riskiest types of criminal behavior are violent crimes, drug crimes (use, possession or distribution), property crimes, and sex crimes. Individuals who have committed one of those crimes in the last few years are highly likely to do it again.
- It is not uncommon for housing providers to require some time to have passed since conviction before they will rent to an individual with certain criminal history.



Parole & Probation

- Many people who are on parole or probation are statistically more likely to be sent back to jail than not
- If they go back to jail, it is highly unlikely they can continue to pay rent or honor their contract
- Housing providers are encouraged to consider the risk they are willing to take when renting to individuals who are on parole and probation and make an informed decision

Financial

Because the ability of renters to honor financial obligations is essential to our success, operators need to assess a prospect's likelihood of success.



Financial

- It is important to make sure that applicants have sufficient income and payment history to meet their contractual obligations
- Doing financial checks that include verifying income, assessing whether someone has enough income, and assuring the income is regular and consistent is a key part of doing a successful background check

Financial

- Common methods of conducting employment and financial checks include:
 - Calling employers to verify how much they make and how long they have been employed
 - Reviewing paystubs, tax returns, CPA prepared financial statements, and bank statements



Financial

TRIPLE RENT RULE:

- Because financial institutions and experts generally agree that a household should not spend more than $\frac{1}{3}$ of their income on housing, many housing providers use the TRIPLE RENT RULE
- This rule is stated as "The combined gross income of all persons living in the rental must be three times the monthly rental rate."
- You can modify this ratio as you see fit

Landlord References

“The best indicator of future performance is past performance”.

Landlord References

- Housing providers are encouraged to verify an applicant's rental history. Call two previous housing providers if possible
- This allows you to establish a pattern of behavior and avoid the possibility that one housing provider might be unduly biased in their responses

Landlord References

- It is uncommon but not unheard of for current housing providers who are desperate to get rid of a bad renter to give a false reference
- That is why it is always a good idea to require at least two references, because the previous housing provider has no skin in the game and will tell you how it really is

Verifying Rental History & Questions to ask Landlords

One of the best indicators of future performance is past performance, so housing providers are encouraged to verify an applicant's rental history. Call two previous housing providers if possible. This allows you to establish a pattern of behavior and avoid the possibility that one housing provider might be unduly biased in their responses.

When doing a rental history verification, you should ask "objective" questions that involve a yes or no answer, like:

- *Did they pay their rent on time?*
- *Did they have any animals?*
- *Did they violate any of your lease provisions or house rules?*
- *How many occupants did they have?*
- *Did they give proper notice?*
- *Did they leave on time?*
- *Did they owe you any money when they left?*
- *Were there any complaints or police incidents?*



Section 3 Knowledge Check

Why are landlords advised to verify multiple areas of an applicant's background?

- A** It is easy to misrepresent one or two areas, so checking several is more likely to catch problems
- B** Federal law requires exactly four separate background checks
- C** Checking more areas allows applicants to be ranked against each other
- D** It lets the landlord skip contacting previous housing providers

Section 3 Knowledge Check

Why are landlords advised to verify multiple areas of an applicant's background?

Correct

- A** It is easy to misrepresent one or two areas, so checking several is more likely to catch problems
- B** Federal law requires exactly four separate background checks
- C** Checking more areas allows applicants to be ranked against each other
- D** It lets the landlord skip contacting previous housing providers

Answer: A. Verifying multiple areas reduces risk significantly, because an applicant can lie or misrepresent in one or two areas. **See slide 87.**

Section 3 Knowledge Check

Which practice is correct when checking an applicant's credit?

- A** Accept a printed credit report the applicant brings in
- B** Run the credit check first and request consent afterward
- C** Use a third party; never accept credit records directly from the prospect
- D** Rely on the applicant's own statement of their credit score

Section 3 Knowledge Check

Which practice is correct when checking an applicant's credit?

- A** Accept a printed credit report the applicant brings in
- B** Run the credit check first and request consent afterward
- C** Use a third party; never accept credit records directly from the prospect
- D** Rely on the applicant's own statement of their credit score

Correct

Answer: C. You must have the applicant's consent, typically a signed release on the application, and always use a third party. Never accept records directly from a prospect. **See slide 90.**

Section 3 Knowledge Check

Under the Triple Rent Rule, if rent is \$1,200 per month, what combined gross monthly income is required?

A \$2,400

B \$3,000

C \$4,800

D \$3,600

Section 3 Knowledge Check

Under the Triple Rent Rule, if rent is \$1,200 per month, what combined gross monthly income is required?

A \$2,400

B \$3,000

C \$4,800

D \$3,600

Correct

Answer: D. The combined gross income of all persons living in the rental must be three times the monthly rental rate: $3 \times \$1,200 = \$3,600$. **See slide 104.**

Section 3 Knowledge Check

Why is it a good idea to require at least two landlord references?

A Utah law requires two references for every lease

B A current landlord eager to get rid of a bad renter might give a false reference

C Two references let you compare the applicant to other applicants

D Previous landlords usually refuse to give any information

Section 3 Knowledge Check

Why is it a good idea to require at least two landlord references?

A Utah law requires two references for every lease

B A current landlord eager to get rid of a bad renter might give a false reference

C Two references let you compare the applicant to other applicants

D Previous landlords usually refuse to give any information

Correct

Answer: B. A current housing provider desperate to get rid of a bad renter may give a false reference. The previous provider has no skin in the game, and two references establish a pattern of behavior. **See slides 106 and 107.**

Section 3 Knowledge Check

Which question is the type the deck recommends asking previous landlords?

A "How would you describe their personality?"

B "Did they pay their rent on time?"

C "Do you think they would fit in at our property?"

D "What was your overall impression of them?"

Section 3 Knowledge Check

Which question is the type the deck recommends asking previous landlords?

A “How would you describe their personality?”

B “Did they pay their rent on time?”

Correct

C “Do you think they would fit in at our property?”

D “What was your overall impression of them?”

Answer: B. Rental history verification should use “objective” questions with a yes or no answer, such as whether the renter paid rent on time or gave proper notice. **See slide 108.**

Section 3 Knowledge Check

If debt-to-income analysis is used in screening, what is required?

- A** It must be documented in the written criteria and applied consistently
- C** It must replace the credit check entirely

- B** It can be applied only to applicants whose income seems low
- D** It must exclude all income from employment

Section 3 Knowledge Check

If debt-to-income analysis is used in screening, what is required?

Correct

- A** It must be documented in the written criteria and applied consistently
- B** It can be applied only to applicants whose income seems low
- C** It must replace the credit check entirely
- D** It must exclude all income from employment

Answer: A. Debt-to-income analysis, when used, must be documented as part of the written criteria and applied consistently. Overly restrictive thresholds can create disparate impact concerns. **See slide 94.**

Section 4

Approving & Denying Applicants





Approving Applicants

Once an applicant is approved you can begin the hard work of communicating expectations and educating renters on how to be successful.

Approving Applicants & Signing a Rental Agreement

- Notify prospects that they have been approved
- Prepare the rental agreement & provide the renter a copy
- Most housing providers require that applicants sign a rental agreement within 24-48 hours. This “locks down” the transaction for both the renter and the landlord and protects both

Communication Process

Once you have communicated approval, you now can now educate the renter about the lease signing and move-in process and go over the rules, expectations and obligations under the contract.

Communicate the deadline for signing the lease and transmit a copy of the lease to the tenant. The tenant is allowed 48 hours from when they receive the lease to review.

- Housing providers should give renters a list of things they must provide on move in day before you give them the keys, including:
 1. First month's rent
 2. Account numbers for all utilities required to be in the renter's name
 3. Proof of renter's insurance with you listed as an "additional insured" or "party of interest"

If you or the tenant have special circumstances or needs now is the time to discuss.



Denying Applicants

Before you deny an applicant, consider if there might be a way to approve them (additional deposit or co-signer) that still mitigates risk.

Denying Applicants

If you deny an applicant because of info on their background check, federal law requires that you give them a letter stating they were denied because of credit. This is called an Adverse Action Notice.

**ADVERSE
ACTION
NOTICE**

Denying Applicants (Continued)

If denial is for any other reason, you can provide them with verbal or written notice. Be sure to immediately refund their deposit and wish them well in finding another place.

Denying Applicants – Returning Deposits

- Remember to refund deposits as soon as possible
- If the denial was because there was no unit available, you must also return any application fee paid by the applicant

Communicating Denials Professionally

Denial communications must be professional, factual, and reference the specific criteria not met.

- **Defensible denial communication:** "Your application did not meet our income requirements" — specific, documented, explainable
- **Not defensible:** "After careful review, we are unable to approve your application at this time" — no information, no basis for defense
- Do not include editorial commentary, speculative statements about future qualification, or personal assessments

Section 4 Knowledge Check

Within what time frame do most housing providers require approved applicants to sign a rental agreement?

A 7 days

B 30 days

C 24–48 hours

D On move-in day

Section 4 Knowledge Check

Within what time frame do most housing providers require approved applicants to sign a rental agreement?

A 7 days

B 30 days

C 24–48 hours

Correct

D On move-in day

Answer: C. Most housing providers require applicants to sign within 24–48 hours, which “locks down” the transaction and protects both the renter and the landlord. **See slide 123.**

Section 4 Knowledge Check

Which item should a renter provide on move-in day before receiving the keys?

- A** A new credit report pulled by the renter
- B** A letter of reference from their employer
- C** Two additional landlord references
- D** Proof of renter's insurance listing you as an "additional insured" or "party of interest"

Section 4 Knowledge Check

Which item should a renter provide on move-in day before receiving the keys?

- A** A new credit report pulled by the renter
- B** A letter of reference from their employer
- C** Two additional landlord references
- D** Proof of renter's insurance listing you as an "additional insured" or "party of interest" Correct

Answer: D. Before handing over keys, renters should provide the first month's rent, account numbers for utilities in their name, and proof of renter's insurance listing you as an "additional insured" or "party of interest." **See slide 124.**

Section 4 Knowledge Check

If you deny an applicant because of information on their background check, what does federal law require?

A A letter called an Adverse Action Notice

B A verbal explanation only

C A refund of double the application fee

D A second background check before the denial is final

Section 4 Knowledge Check

If you deny an applicant because of information on their background check, what does federal law require?

Correct

A A letter called an Adverse Action Notice

B A verbal explanation only

C A refund of double the application fee

D A second background check before the denial is final

Answer: A. Federal law requires a letter stating the applicant was denied because of credit. This is called an Adverse Action Notice. **See slide 126.**

Section 4 Knowledge Check

If an applicant is denied because no unit was available, what must be returned?

A Only the security deposit

B Any deposit and any application fee the applicant paid

C Only half of the application fee

D Nothing, because the background check was already run

Section 4 Knowledge Check

If an applicant is denied because no unit was available, what must be returned?

A Only the security deposit

B Any deposit and any application fee the applicant paid

Correct

C Only half of the application fee

D Nothing, because the background check was already run

Answer: B. Deposits should be refunded as soon as possible, and if the denial was because no unit was available, any application fee paid must also be returned. **See slide 128.**

Section 4 Knowledge Check

Which denial message is defensible?

A "After careful review, we are unable to approve your application at this time."

B "We felt another applicant would be a better fit."

C "Your application did not meet our income requirements."

D "You may qualify next year if your situation improves."

Section 4 Knowledge Check

Which denial message is defensible?

A "After careful review, we are unable to approve your application at this time."

B "We felt another applicant would be a better fit."

C "Your application did not meet our income requirements."

Correct

D "You may qualify next year if your situation improves."

Answer: C. Denials must be professional, factual, and reference the specific criteria not met. A vague message gives no basis for defense, and speculation about future qualification should be left out. **See slide 129.**

Section 5

Preparing to Sign the Lease





Inspection and Move-In Preparation

- Establishes the condition of the property that management is delivering to the new resident
- Any items needing attention should be resolved before the move-in date
- A resident who takes possession with known maintenance items pending has a legitimate complaint about unit readiness
- Unresolved habitability deficiencies = legal basis for remedies under the Utah Fit Premises Act
- Unit readiness on day one sets the tone for the resident relationship

pection and Move-In Preparation

- The move-in inspection form should document the condition of every room, every fixture, every appliance, and every surface
- Photographs should be taken at the same time, dated, and stored in the resident file
- The resident should have the opportunity to:
- Participate in the move-in inspection, OR
- Complete their own condition documentation within a defined period after taking possession
- The resident's acknowledgment of the unit's condition at move-in — whether joint inspection or signed addendum — is the evidentiary foundation for deposit deductions at move-out

Importance of Move-In and Move-Out Checklists

- Professional property management companies use standardized inspection forms that:
- Cover every element of the unit
- Require room-by-room documentation
- Include spaces for photographic evidence references
- Require both manager and resident signatures
- These forms are among the highest-value documents in a property management file
- They determine the outcome of deposit disputes, support eviction defense when condition deterioration is at issue, and protect the owner's financial interests throughout the tenancy

SAMPLE: Move-In/Move-Out Inspection Form

MOVE-IN/MOVE-OUT INSPECTION FORM					
Address _____		Apt # _____			
Resident name(s) _____					
MOVE -IN INSPECTION DATE: _____ The resident accepts responsibility for the condition of the above described apartment "AS IS" with any exceptions below.		MOVE -OUT INSPECTION DATE: _____ The following inspection reveals any damage beyond normal wear & tear to determine deductions from deposit.			
CONDITION LIVING ROOM		CONDITION LIVING ROOM			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Blinds/Screens _____		Blinds/Screens _____			
Doors _____		Doors _____			
Other _____		Other _____			
KITCHEN/ DINING ROOM		KITCHEN/ DINING ROOM			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Blinds/Screens _____		Blinds/Screens _____			
Doors _____		Doors _____			
Cabinets _____		Cabinets _____			
Countertops _____		Countertops _____			
Appliances _____		Appliances _____			
Other _____		Other _____			
UTILITY ROOM		UTILITY ROOM			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Doors _____		Doors _____			
Other _____		Other _____			
HALL		HALL			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Doors _____		Doors _____			
Other _____		Other _____			
BEDROOMS MASTER #2 #3		BEDROOMS MASTER #2 #3			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Blinds/Screens _____		Blinds/Screens _____			
Doors _____		Doors _____			
Other _____		Other _____			
BATHROOMS HALL BEDROOM		BATHROOMS HALL BEDROOM			
Walls _____		Walls _____			
Ceiling/Lights _____		Ceiling/Lights _____			
Floor _____		Floor _____			
Cabinets/Countertops _____		Cabinets/Countertops _____			
Tub/Fixtures _____		Tub/Fixtures _____			
Doors _____		Doors _____			
Other _____		Other _____			
MISCELLANEOUS		MISCELLANEOUS			
STORAGE AREA _____		STORAGE AREA _____			
KEYS: APT _____ MAIL _____ POOL _____		KEYS: APT _____ MAIL _____ POOL _____			
RESIDENT TAG _____		RESIDENT TAG _____			
INSPECTED FOR PET DAMAGE: _____		INSPECTED FOR PET DAMAGE: _____			
Date: _____ Name _____		Date: _____ Name _____			
NOTICE: The resident shall be responsible for the condition of this apartment "AS IS" and any damage beyond normal wear & tear will be paid for at Resident's expense.					
MOVE-IN INSPECTION RESULTS HEREBY ACCEPTED: Resident _____ Resident _____ Manager/Agent _____			MOVE-OUT INSPECTION RESULTS HEREBY ACCEPTED: Resident _____ Resident _____ Manager/Agent _____		

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*By signing document, Owner/Representative attests they are an RHA Utah member in good standing.

PART 1



MOVE-IN/MOVE-OUT INSPECTION FORM

Address _____ Apt # _____

Resident name(s) _____

MOVE -IN INSPECTION **DATE:** _____
The resident accepts responsibility for the condition of the above described apartment "AS IS" with any exceptions below.

MOVE -OUT INSPECTION **DATE:** _____
The following inspection reveals any damage beyond normal wear & tear to determine deductions from deposit.

**CONDITION
LIVING ROOM**

Walls _____
Ceiling/Lights _____
Floor _____
Blinds/Screens _____
Doors _____
Other _____

**CONDITION
LIVING ROOM**

Walls _____
Ceiling/Lights _____
Floor _____
Blinds/Screens _____
Doors _____
Other _____

KITCHEN/ DINING ROOM

Walls _____
Ceiling/Lights _____
Floor _____
Blinds/Screens _____
Doors _____
Cabinets _____
Countertops _____
Appliances _____
Other _____

KITCHEN/ DINING ROOM

Walls _____
Ceiling/Lights _____
Floor _____
Blinds/Screens _____
Doors _____
Cabinets _____
Countertops _____
Appliances _____
Other _____

UTILITY ROOM

Walls _____
Ceiling/Lights _____
Floor _____
Doors _____
Other _____

UTILITY ROOM

Walls _____
Ceiling/Lights _____
Floor _____
Doors _____
Other _____

HALL

Walls _____
Ceiling/Lights _____
Floor _____
Doors _____
Other _____

HALL

Walls _____
Ceiling/Lights _____
Floor _____
Doors _____
Other _____

PART 2

BEDROOMS MASTER #2 #3 Walls _____ Ceiling/Lights _____ Floor _____ Blinds/Screens _____ Doors _____ Other _____	BEDROOMS MASTER #2 #3 Walls _____ Ceiling/Lights _____ Floor _____ Blinds/Screens _____ Doors _____ Other _____
BATHROOMS HALL BEDROOM Walls _____ Ceiling/Lights _____ Floor _____ Cabinets/Countertops _____ Tub/Fixtures _____ Doors _____ Other _____	BATHROOMS HALL BEDROOM Walls _____ Ceiling/Lights _____ Floor _____ Cabinets/Countertops _____ Tub/Fixtures _____ Doors _____ Other _____
MISCELLANEOUS STORAGE AREA _____ KEYS: APT _____ MAIL _____ POOL _____ RESIDENT TAG _____ INSPECTED FOR PET DAMAGE: Date: _____ Name: _____	MISCELLANEOUS STORAGE AREA _____ KEYS: APT _____ MAIL _____ POOL _____ RESIDENT TAG _____ INSPECTED FOR PET DAMAGE: Date: _____ Name: _____
NOTICE: The resident shall be responsible for the condition of this apartment "AS IS" and any damage beyond normal wear & tear will be paid for at Resident's expense.	Date Vacated: _____ Forwarding Address: _____
MOVE-IN INSPECTION RESULTS HEREBY ACCEPTED: Resident _____ Resident _____ Manager/Agent _____	MOVE-OUT INSPECTION RESULTS HEREBY ACCEPTED: Resident _____ Resident _____ Manager/Agent _____

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Importance of Move-In and Move-Out Checklists

- The move-in and move-out checklists are the before-and-after record of the unit's condition during a specific tenancy
- The quality of the move-in checklist determines the defensibility of every deposit deduction at the end of that tenancy
- A checklist that notes "carpet — good" at move-in and "carpet — damaged" at move-out, supported by photographs of both conditions, is a defensible basis for a replacement deduction
- A move-in checklist that is blank, unsigned, or missing from the file leaves management unable to prove what condition the unit was in when the tenant took possession

From Approval to Lease Execution

- **Notify in Writing:** Confirm unit, lease start date, monthly rent, required deposits and fees, and the execution deadline.
- **Set a Firm Deadline:** Define the period within which the applicant must execute the lease and pay required move-in funds.
- **If Deadline Missed:** Release the unit and offer to the next qualified applicant — do not hold indefinitely.
- **Verify Consistency:** Terms offered must match the pre-application expense disclosure — no new charges appearing at signing
- **Document Transition:** Full screening file becomes part of the permanent resident record

From Approval to Lease Execution

From the screening perspective, the operative compliance point:

- The transition from approval to lease must be documented
- The terms offered must be consistent with those disclosed in the pre-application materials
- Any differences between the expense disclosure and the executed lease must be explained and acknowledged
- A lease with charges not disclosed before fee collection may give the new tenant grounds to challenge lease terms or recover fees under Utah's disclosure requirements

Section 5 Knowledge Check

What can unresolved habitability deficiencies at move-in create?

A Grounds for the landlord to raise the security deposit

B An automatic extension of the lease term

C A requirement that the resident repair the items

D A legal basis for remedies under the Utah Fit Premises Act

Section 5 Knowledge Check

What can unresolved habitability deficiencies at move-in create?

A Grounds for the landlord to raise the security deposit

B An automatic extension of the lease term

C A requirement that the resident repair the items

D A legal basis for remedies under the Utah Fit Premises Act

Correct

Answer: D. Items needing attention should be resolved before move-in. Unresolved habitability deficiencies are a legal basis for remedies under the Utah Fit Premises Act. **See slide 141.**

Section 5 Knowledge Check

What is the resident's acknowledgment of the unit's condition at move-in the foundation for?

A Setting the monthly rent amount

B Deposit deductions at move-out

C The applicant's credit evaluation

D Renewing the lease at the end of the term

Section 5 Knowledge Check

What is the resident's acknowledgment of the unit's condition at move-in the foundation for?

A Setting the monthly rent amount

B Deposit deductions at move-out

C The applicant's credit evaluation

D Renewing the lease at the end of the term

Correct

Answer: B. Whether through a joint inspection or a signed addendum, the resident's acknowledgment of the unit's condition at move-in is the evidentiary foundation for deposit deductions at move-out. **See slide 142.**

Section 5 Knowledge Check

What happens if a move-in checklist is blank, unsigned, or missing from the file?

A Management cannot prove what condition the unit was in at move-in

B The resident automatically forfeits the security deposit

C The move-out checklist can be used in its place

D The lease becomes void

Section 5 Knowledge Check

What happens if a move-in checklist is blank, unsigned, or missing from the file?

Correct

- A** Management cannot prove what condition the unit was in at move-in
- B** The resident automatically forfeits the security deposit
- C** The move-out checklist can be used in its place
- D** The lease becomes void

Answer: A. A move-in checklist that is blank, unsigned, or missing leaves management unable to prove the unit's condition when the tenant took possession. **See slide 147.**

Section 5 Knowledge Check

What should management do if an approved applicant misses the lease execution deadline?

- A** Hold the unit indefinitely until the applicant signs
- B** Keep the deposit and extend the deadline by 30 days
- C** Release the unit and offer it to the next qualified applicant
- D** Re-run the applicant's background check and start over

Section 5 Knowledge Check

What should management do if an approved applicant misses the lease execution deadline?

- A** Hold the unit indefinitely until the applicant signs
- B** Keep the deposit and extend the deadline by 30 days
- C** Release the unit and offer it to the next qualified applicant
- D** Re-run the applicant's background check and start over

Correct

Answer: C. If the deadline is missed, release the unit and offer it to the next qualified applicant; do not hold it indefinitely. **See slide 148.**

Section 5 Knowledge Check

How should the terms offered at lease signing compare with the pre-application disclosures?

A New charges may be added at signing without explanation

B The lease always overrides anything that was disclosed

C Only the rent amount needs to match

D They must be consistent; any differences must be explained and acknowledged

Section 5 Knowledge Check

How should the terms offered at lease signing compare with the pre-application disclosures?

A New charges may be added at signing without explanation

B The lease always overrides anything that was disclosed

C Only the rent amount needs to match

D They must be consistent; any differences must be explained and acknowledged

Correct

Answer: D. Terms offered must match the pre-application expense disclosure, and any differences must be explained and acknowledged. Undisclosed charges may give the tenant grounds to challenge lease terms or recover fees. **See slides 148 and 149.**

Applicant Screening: Where Every Legal Framework Converges

Module 6 – Core Principles

- Written procedures — not good intentions — produce the consistency that reduces Fair Housing liability
- Disclosures come first: before fees, before applications, before any screening decision is made
- Criteria must be specific, written, disclosed, and applied identically to every applicant
- Every denial triggers two independent obligations: Fair Housing compliance and FCRA Adverse Action Notice
- The move-in inspection is the evidentiary foundation of every deposit deduction — treat it as a financial document