

Living

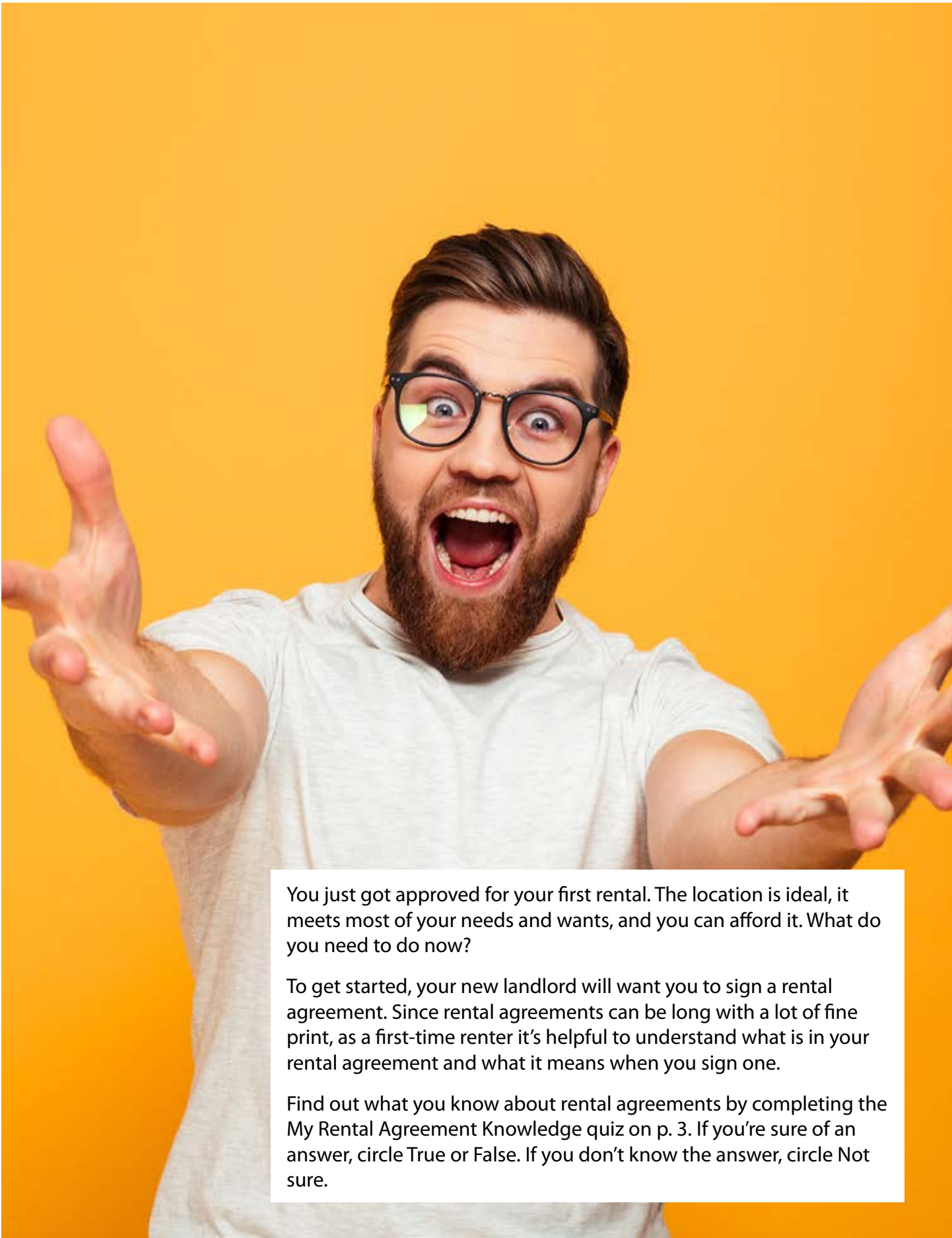
ON MY OWN

I Found the Perfect Place to Live! Now What?

Rental Agreements | Security Deposits
Communicating with the Landlord | Pet and Parking Policies
Renter's Insurance | Roommates
When Your Rental Agreement Is Up | Don't Get Evicted!

Participant Guide

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You just got approved for your first rental. The location is ideal, it meets most of your needs and wants, and you can afford it. What do you need to do now?

To get started, your new landlord will want you to sign a rental agreement. Since rental agreements can be long with a lot of fine print, as a first-time renter it's helpful to understand what is in your rental agreement and what it means when you sign one.

Find out what you know about rental agreements by completing the My Rental Agreement Knowledge quiz on p. 3. If you're sure of an answer, circle True or False. If you don't know the answer, circle Not sure.



My Rental Agreement Knowledge

Rental agreements

| | | | | |
|-----|---|------|-------|----------|
| 1. | can be written or verbal. | True | False | Not sure |
| 2. | protect both the landlord and the renter. | True | False | Not sure |
| 3. | indicate how often the rent can be increased. | True | False | Not sure |
| 4. | are all basically the same, so there's no need to spend a lot of time reading them. | True | False | Not sure |
| 5. | outline what happens if rent isn't paid on time. | True | False | Not sure |
| 6. | are legally binding contracts. | True | False | Not sure |
| 7. | establish rights and responsibilities for both landlord and renter. | True | False | Not sure |
| 8. | may allow the landlord to sell the property while it is rented. | True | False | Not sure |
| 9. | require the landlord to renew the lease if the renter has paid the rent on time. | True | False | Not sure |
| 10. | can limit the number of people who live in the rental. | True | False | Not sure |

So how did you do? Find out by looking at the last page. Compare your answers to the correct answers to get an idea of what you currently know and where you might want to boost your knowledge. As you read on, the new information you learn will help guide you when signing your own rental agreement.



Rental Agreements

You may be surprised to learn that a rental agreement is a legally binding contract between you—the renter—and your landlord. Since rental laws vary from state to state and between communities, there is no standard rental agreement. **So, it's wise to carefully read your rental agreement and ask questions before you sign.**

Everyone who signs the rental agreement must be of legal age.

Rental agreements are usually month-to-month or lease contracts. The main difference between the two is how long you live in the rental before the landlord can make changes to the contract. A month-to-month agreement is for 30 days. A lease is for longer than 30 days—usually 6 or 12 months. Both can be renewed.

Your rental agreement will identify the exact place you are renting along with the time period you agree to rent. The rental agreement should state all your costs for renting the property—such as the rent amount and deposits and fees that you need to pay before moving in. Included will be an explanation of what happens if you pay the rent late or you don't pay at all. And, the rental agreement will list all the terms and conditions for renting the unit, such as

- Parking regulations
- Pet, smoking, guest, noise, subletting, decorating, and gardening policies
- Notices required to move out
- If renter's insurance is required
- Maximum number of people or pets allowed to live in the rental
- Any other rules for renting the place

Renters' and landlords' rights and responsibilities are determined by federal, state, and local laws and the rental agreement. These rights and responsibilities will vary depending on the location of the rental and what is included in the rental agreement.

Anyone who signs the rental agreement is legally responsible for the entire rent if other renters don't pay their share.



The rental agreement explains what happens if you break the contract—such as moving out before the contract is up, or smoking in a smoke-free rental, or having a pet when the contract says no pets allowed. Whenever a contract is broken—just know that it will probably cost you money and disrupt your life.

Never sign a rental agreement with blanks in it—someone could fill in information later that you did not agree to but for which you will be held responsible.

Although it sounds like a rental agreement protects only the landlord, it also protects you. It explains how much written notice you must be given before your rent is increased or you are asked to move out. It states when and how repairs and maintenance will be handled, and it should include when the landlord has the right to enter your space.

Did you know that rental agreements can be verbal or written? You and your landlord can verbally agree to the rental terms, or the terms can be written for both parties to sign. Although both verbal and written rental agreements can be enforced, it's much harder to prove the terms of a verbal agreement. Written agreements are safer for both you and your landlord, as everything is spelled out and signed. **For your protection, insist on a written rental agreement.**

When you sign the rental agreement, you and your landlord should complete a written move-in checklist to list any existing damage in your new place. You also can make a

video or take pictures before moving in to document the condition of the rental. When you move out, using the checklist and the video or pictures will help you and your landlord determine if you are responsible for any new damages. For your protection, be sure to get and keep

- a signed and dated copy of the rental agreement.
- a signed and dated move-in checklist.
- any video or pictures taken at move-in.

Record-Keeping Tip

Print pictures and make backup copies of videos taken at move-in. Store them in a safe place to protect you in case something happens to your phone.

Laws require that a rental be habitable. This means it must be safe and fit to live in.

Security Deposits

Security deposits are the number one disagreement between landlords and tenants, so there are extra regulations for how security deposits are used or refunded. Although your security deposit is refundable, the law allows your landlord to keep all or part of it in the following situations:

- You still owe rent.
- You did not clean the rental when you moved out.
- You, your guests, or pets damaged the rental beyond normal wear and tear.
- You failed to return personal property such as keys or furniture.

The security deposit may be called something else, like last month's rent, cleaning deposit, pet deposit, key deposit, etc.—but these are all considered part of the security deposit. Generally, the security deposit cannot be more than two times the monthly rent for unfurnished rentals and three times the monthly rent for furnished rentals—however, this can vary by location. If the landlord keeps some of your security deposit when you move out, you should receive a written statement of how the money was spent. In many states this is required by law.



To protect yourself when renting, it is important to know the landlord-tenant laws in your state, county, and city.



Communicating with the Landlord

Good relationships with the landlord are built by following the rental agreement and working together fairly. As a first-time renter, there are several things you can do to help build a respectful relationship with your landlord. Start by

- demonstrating reliability by paying rent and other fees on time.
- showing responsibility by reporting all problems immediately, even if you caused them.
- maintaining the rental in good condition by keeping it clean.
- developing good relationships by working with guests, roommates, and pets to prevent property damage or inconvenience to neighbors.
- documenting your communications with your landlord by putting all correspondence in writing.
- keeping copies of all letters and receipts so you have the information you need if you want to address a concern.

Since it's important to keep permanent records of correspondence with your landlord, communicating via text is not recommended. Email is a better option.

Most landlords want you to report needed repairs when they occur. This will give your landlord time to schedule the repairs. Emergency repairs, such as a serious condition that prevents you from safely living in the rental, should be handled by the landlord quickly—usually within 2 days. Smaller concerns, like a dripping faucet, could take a few extra days to fix.

If issues arise and the landlord wants to discuss actions or concerns in person, ask for a written notice. If you have questions about the notice, first refer to the rental agreement to verify the terms and put any concerns or questions in writing. Then set a time to respectfully discuss the issue with your landlord. Disagreements are often just a misunderstanding of the rental agreement terms and can be worked out easily.

Pet & Parking Policies



Two areas that can lead to problems with your landlord and neighbors are pets and parking. The rental agreement should outline what is acceptable for both of these situations.

Pets

While many rentals allow pets, there may be additional guidelines and security fees to cover damages your pet might cause. There may be restrictions—such as no animal can weigh more than 40 pounds and pets cannot roam the property. Exotic or aggressive animals may be prohibited by your rental agreement, the law, or insurance.

Common rules for having a pet may include

- Pets must be on a leash or in a carrier when outside.
- Pets cannot make noises that disturb other renters.
- Pet owners must take pets to designated areas to relieve themselves.
- Pet owners must clean up after their pets.

Parking

Many rentals—particularly apartments and condos—will have assigned parking spots. Parking in someone else's spot can lead to tickets, fines, and having your vehicle towed. And it is likely there are regulations for visitor parking, oversized vehicles, doing auto repairs at the rental, etc.

Since pets and parking can cause you problems, reading the rental agreement carefully and asking questions will help you understand what is expected and help you decide if you are able to live with the policies.

Consider renting on the bottom level of a multi-story complex if you have active pets that might disturb neighbors below.



Renter's Insurance

First-time renters may be unaware that their personal possessions are not covered by the rental agreement or the landlord's insurance. Your landlord's insurance covers only the rental building and not what you put in your rental. So, if the apartment above you has a water leak and your electronics, clothing, and furniture are damaged, your landlord's insurance will not pay for your losses, but renter's insurance can help.

When you consider all that you own—your cell phone, computer, TV, furniture, household supplies, clothing, sports equipment, tools, hobby supplies, etc.—would you be able to replace everything if it was stolen or damaged? Most people do not have enough money to replace everything they own, so they rely on renter's insurance.

When you buy renter's insurance you are protecting yourself and your possessions.

Renter's insurance is usually inexpensive and having it

- covers your possessions against theft, fire, water damage, and natural disasters—having pictures or videos of what you own can help your insurance company replace what you lost.
- protects you against liability claims from others who might be injured in your rental—such as an accident that results in a broken arm.

Check online for quotes and compare coverage and costs before choosing a policy.





Roommates

When you have roommates it's important that all roommates understand what is expected both as a renter and as a roommate. To help prevent misunderstandings, each roommate should read the rental agreement and agree to the terms before signing.

Also consider discussing each other's needs and expectations. Try to identify all situations that could lead to misunderstandings, such as guests, food, and when and how to pay rent and utilities. Then draft and **sign a roommate agreement before living together.**

Anything a roommate feels could become a problem can and should be included in the roommate agreement. You don't want to find out that you and your roommates do not get along after the rental agreement is signed and it's too late to change your minds.

To begin thinking about the type of roommate agreement you want, identify the top three priorities you want to include in a roommate agreement. These should reflect your priorities—what is most important to you.

My Top Three Roommate Agreement Priorities

1. _____
2. _____
3. _____

Choose roommates carefully! The rent has to be paid by the due date. If any roommate does not pay, YOU are legally responsible!!!



When Your Rental Agreement Is Up

At the end of your rental agreement, you may decide to move or your landlord may ask you to move. Typically, a 30-day written notice to move is given for a month-to-month rental agreement or if you lived in the rental for less than 12 months. If the rental agreement is for a year or more, then a 60-day notice is usually required. There is an exception—if the landlord decides to sell your rental, then the landlord may have to give only a 30-day notice.

Being on good terms with the landlord is helpful should you need a landlord's reference to rent another place.

Did You Know?

Following the terms of your rental agreement will add to your overall financial health and help you work toward a secure financial future.

When you move out, doing the following will help the process go smoothly and will ensure you leave on good terms with your landlord:

- Give timely written notice.
- Leave the rental clean if you hope to get your security deposit back.
- Review the condition of your rental and compare it to your move-in checklist and any videos or pictures.
- Complete a move-out checklist with your landlord—most likely your landlord will provide the checklist.
- Return all keys and provide a forwarding address for your landlord to send your security deposit and/or a written accounting of how it was used.
- Submit a change of address to important contacts.



Don't Get Evicted!

The fun of having your own place can end quickly if you get an eviction notice. Eviction is a legal process that allows the landlord to make a tenant move out of a rental for not complying with the rental agreement. Your landlord can legally start the eviction process if you

- have not paid your rent.
- have not followed the terms of the rental agreement.
- damaged or destroyed property.
- do something illegal.

An eviction will be costly, emotionally draining, and disruptive to life for both you and your landlord. Being respectful and honest in all rental matters will go a long way in preventing misunderstanding, problems, and an eviction.

An eviction will lower your credit score, making it harder for you to find a new place and get credit in the future.

Rental Agreement Review Crossword Puzzle

There's a lot to learn as a first-time renter and it might seem overwhelming. To help you review what you just read, use the words in the Word Box to complete this Rental Agreement Review Crossword Puzzle. It will serve as a refresher of what you learned.

Word Box

| | | |
|-----------|-------------|----------|
| Carefully | Insurance | Security |
| Habitable | Explanation | Contract |
| Lease | Unfurnished | Rights |
| Written | | |

Across

- Generally the security deposit for an _____ rental cannot be more than two times the monthly rent.
- A rental agreement should always be read _____.
- The law requires that any rental must be _____.
- The last month's rent and cleaning deposit are part of the _____ deposit.
- A signed rental agreement is a legally binding _____.

Down

- If a landlord does not return all of a security deposit, the tenant is entitled to a written _____ of how the money was spent.
- To protect personal belongings from theft or damage, a renter can purchase renter's _____.
- The law grants both renters and landlords certain _____ and responsibilities.
- A rental agreement that is for longer than 30 days is called a _____.
- Ask for a _____ rental agreement so both landlord and renter have a copy of what was agreed to.

Moving into your first place is exciting, but at the same time it needs to be taken seriously. After all, a rental agreement is a legally binding contract. Reading, understanding, and following the terms of your rental agreement are great first steps to help you enjoy this new experience of living on your own.

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The information in this publication provides general rental guidelines. For the most current information, check state, county, and city rental laws specific to the area where you want to live.

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Answers to My Rental Agreement Knowledge:

- | | | |
|---|--|---|
| <p>1. True—however, a written rental agreement is preferred so the landlord and renter have a copy of what was agreed to.</p> <p>2. True—a rental agreement outlines the rules and regulations that were agreed upon, so the landlord cannot add new ones.</p> <p>3. True—the rental agreement should indicate how often rent can be increased.</p> <p>4. False—there is no standard rental agreement, so all rental agreements should be read carefully.</p> | <p>5. True—the rental agreement should have information on what happens when rent is paid late.</p> <p>6. True—when the landlord and renter sign a rental agreement, it becomes a legally binding contract.</p> <p>7. True—a signed rental agreement, along with rental laws, establishes rights and responsibilities for both the landlord and renter.</p> <p>8. True—the landlord may sell the rental unit</p> | <p>while it is being rented as long as proper notice is given to the renter.</p> <p>9. False—neither the landlord nor the renter is required to renew a lease once it expires. However, the rental agreement should indicate how much written notice each party must give if the lease will not be renewed.</p> <p>10. True—the rental agreement may include a clause that indicates the maximum number of people who may live in the rental.</p> |
|---|--|---|

Answers to Rental Agreement Review Crossword Puzzle:

Across:

- | | | |
|----------------|--------------|--------------|
| 1. Unfurnished | 6. Habitable | 10. Contract |
| 4. Carefully | 9. Security | |

Down:

- | | | |
|----------------|-----------|------------|
| 2. Explanation | 5. Rights | 8. Written |
| 3. Insurance | 7. Lease | |