



### It's the LAW!!!

Must give the applicant a copy of their Consumer Rights when...

1. Tenancy is denied
2. Increased Deposit Required
3. Co-Signer Required

The Federal Trade Commission recently issued new guidelines regarding the Fair Credit Reporting Act, having significant impact on Property Managers and Landlords.

**The first aspect** of the Act that has been broadened relates to what kinds of "consumer reports" are covered and therefore trigger the notice requirement to the consumer. Previously, only consumer reports issued by credit bureaus such as Trans Union, Experian and Equifax, triggered notice. Reports from tenant-screening services, reference-checking services, and other information providers that either use credit reports from a credit bureau or rely on information about the tenant's rental history also require tenant notice.

**The second aspect** of the Act that has been broadened relates to "adverse actions: that a landlord or property manager may make based "even in small part" on the credit report defined above. According to the guidance, any of the following constitute as "adverse action":

- Refusing to rent
- Requiring a co-signer on the lease
- Requiring a deposit, if deposits are not required of other tenants
- Requiring a larger deposit than would be required of other tenants
- Requiring a higher rental amount than would be required of other tenants

If the Property Manager or Landlord takes an adverse action, he must provide the consumer with an adverse action notice that includes the name and contact information for the consumer-reporting agency. The adverse action notice must also state that the agency did not make the adverse decision and that the consumer has the right to dispute the accuracy of the report and to request a free report within 60 days. The consumer may also have a "consumer statement" included in the consumer report.

The Consumer Rights (Adverse Action Notice) addresses the above issues. Please review it carefully and have your attorney review it as well to determine if you need to modify it to cover any unique circumstances of your own tenant evaluation process. You may not rely on the letter as legal advice or assurance of compliance with the Act.

*\*Please see the back of this Newsletter for a copy of the Consumer Rights form*

### ORCA ♦ WISDOM ♦

A truly happy person is one who can enjoy the scenery on a detour.

### Safety Check List For Apartments

#### Check Out Your Apartment:

*Does your -*

- \*Entry door have a deadbolt lock and a peephole?
  - \*Sliding glass door or sliding windows have a wooden rod in the track so it can't be opened and pins in the overhead from so it can't be lifted out?
  - \*Landlord or building manager tightly control all keys?
- For extra security, leave a radio playing or a light on while you are gone. Tell a trusted neighbor and the building manager when you leave for an extended trip or vacation.

#### Check Out Your Building:

- \*Is there some kind of control over who enters and leaves the building? (cameras, desk clerk, etc.)
- \*Are walkways, entrances, parking areas, elevators, hallways, stairways, laundry rooms and storage areas well-lighted, 24-hours a day?
- \*Are fire stairs locked from the stairwell side above the ground floor, so you can exit but no one can enter?
- \*Are mailboxes in a well-traveled, well-lighted area and do they have good locks?
- \*Are things well-maintained - are burnt out lights fixed properly and promptly, shrubs kept trimmed and trash removed promptly?

#### Check Out the Neighbors:

- \*Get to know your neighbors. Join or organize an Apartment Watch Group so neighbors can look out for and help each other.
- \*If you live in a large building or complex, think about a resident patrol that watches for crime around the building, provides escort services for the elderly and handicapped, and monitors comings and goings in the lobby or entrances/exits to the site.
- \*Work with the owner/manager to sponsor social events for residents.
- \*Look beyond problems to root causes - does your building need anything? Work with the owner/manager for changes that make everyone proud of where they live.

For more information about how to start an Apartment Watch Group, contact Lisa Isaacs, Crime Free Programs Coordinator at 253-591-5048

**CONSUMER RIGHTS**  
FCRA AMENDMENT – SECTION 615

Dear Applicant:

We are informing you that your application for an apartment/house at \_\_\_\_\_ has been:

Rejected

Requires a deposit in the amount of \$ \_\_\_\_\_ .

Requires a co-signer on your lease

Requires an increased monthly rental amount of \$ \_\_\_\_\_ .

We are hereby informing you of certain information pursuant to the Fair Credit Reporting Act, 15 U.S.C., Section 1681, at seq., as amended by the Consumer Credit Reporting Reform Act of 1996 (Public Law 104-209, the Omnibus Consolidated Appropriations Act for the Fiscal Year 1997, Title, II, Subtitle D, Chapter 1.)

The above adverse action on your application is based on one or more of the following:

Information contained in a consumer credit report obtained from the consumer credit reporting agency named in paragraph 2 of this letter.

A consumer credit report containing insufficient information obtained from the consumer credit reporting agency named in paragraph 2 of this letter.

Information received from a person or company other than a consumer-reporting agency such as rental/employment history. You have a right to make a written request to: ORCA Information, PO Box 277, Anacortes, WA 98221, 1-800-341-0022 within 60 days of receiving this letter for a disclosure of the nature of this information. Include a photocopy of your driver's license and social security card for proof of identity.

When a credit report is used in making the decision, Section 615(a) of the Fair Credit Reporting Act requires us to tell you where we obtained that report. The consumer-reporting agency that provided the report was:

**Trans Union Consumer Relations**, PO Box 390, Springfield, PA 19064. Phone 1-800-888-4213.

**CBI/Equifax Credit Information Service**, PO Box 740241, Atlanta, GA 30374-2041. Phone 1-800-685-1111.

Pursuant to Section 615 of the Fair Credit Reporting Act, we are notifying you that the above-noted agency(ies) only provided information about your credit/rental/employment history. It took no part in making the decision for adverse action on your rental application, nor can it explain why the decision was made.

You have certain rights under Federal Law, as explained in more detail in paragraphs below. Pursuant to the Fair Credit Reporting Act, you have a right to obtain a copy of your credit report, dispute its accuracy, and provide a statement describing your position if you dispute the credit report. If you believe your report is inaccurate or incomplete, you may call the consumer reporting agency at its toll-free number listed above or write to it at the listed address.

Pursuant to Section 612 of the Fair Credit Reporting Act, you have the right to obtain a free copy of your consumer report from the consumer-reporting agency whose name is checked above. You must request the copy within 60 days of the date you receive this letter.

Pursuant to Section 611 of the Fair Credit Reporting Act, if you dispute any of the information in your report, you have the right to put into your report a consumer statement of up to 100 words explaining your position on the item under dispute. Trained personnel are available to help prepare consumer statements.

You may have additional rights under the credit reporting or consumer protection laws of your state. For further information, you can contact your state local consumer protection agency or your state attorney general's office.

Sincerely,