



Tricks and Cons Tenants Use

By John Nuzzolese - Source: LPA

Most sneaky little tricks listed below can be thwarted with proper tenant screening and a little landlord tenant knowledge.

The Old "Fake Credit Report" Trick:

With today's computer technology, it is easy for a tenant to fake a credit report. Anyone can get a free copy of their own credit report online and make a few "modifications" before printing it and presenting to an innocent, unsuspecting, impressed landlord.

The Old "Totally Fake Identity" Trick with great credit report:

Fake IDs are sold to under aged kids to get into bars. It is easy for a con-man tenant to get a fake ID to match his friend's or relative's credit report and present himself as that person. Check IDs carefully and verify as much information in that person's name as possible.

The Old "I'm a victim of Identity Theft" Trick:

A popular excuse for a bad credit report. Blame it on identity theft!
The Old "My spouse ruined my Credit" Trick:
A popular excuse for divorced deadbeats. Blame it on the Ex!

The Old "Fake Social Security Number" Trick:

Many fraudster rental applicants present fake social security numbers on their application. Often it is their child's or a made up number that brings incorrect or no results (credit report). When asked for an explanation, they may pretend they don't understand why this happened.
The Old "Self Employed with fake income records" Trick:
Self Employed tenants are among the most difficult references to verify. Why, because as their own boss, the tenant prospect is giving you his own references on himself. Is it possible he might exaggerate reference material? You bet it is! Get proof of income with proper documents such as 2 years of Tax Returns.

The Old "Threaten the landlord with a Discrimination Suit" Trick:

A common tactic of a disgruntled rental reject. This trick works on many inexperienced landlords. Law abiding landlords who always follow proper tenant screening procedure should not fall victim to this.

The Old "Move In FREE" Trick:

The tenant shops rentals with desperate landlords who offer a free first month and no security deposit. They live free until they get tired of stringing the poor sucker along.

The Old "The place needs work" Trick:

One of the oldest negotiating tactics in the book is to insult the product (or rental property in this case) with depreciating comments and requests for repairs and/or improvements to be done. An eager landlord is often side-tracked from the screening process or rent collection by these decoy tactics.

The Old "Fake Injury Threatening Lawsuit" Trick:

Some tenants, usually when they hit hard times, will pretend to get hurt on the property and blame it on the landlord's negligence. They first call and ask about the landlord's insurance coverage. Then, while cleverly hinting they might sue you, they may ask for free or reduce rent for a while because they have medical expenses. Then they find an opportunistic attorney to help them commit insurance fraud by suing you for a settlement.

The Old "My Bank Made a Mistake" Trick:

To avoid a late charge or even just embarrassment, tenant may lie to you by blaming the reason for their bounced check on the bank.

The Old "I'm out of Town" Trick:

A common excuse why the tenant was not able to pay rent on time. Of course, being out of town on business all the time can make it impossible to mail the rent. What about mailing it early? What about automatic withdrawal? These things would solve the problem and would be used if the tenant was sincere... One tenant tried this on me when caller ID was a brand new feature. He said he was calling from out of state, but it was his home phone number on the ID!

The Old "Please Don't Call or Tell my Wife I'm Late with Rent" Trick:

An attempt to get the landlord in on the conspiracy to save the marriage of the tenant. A big load of BULL.

The Old "You're a great guy" Trick:

Another attempt to BS you. Sometime the tenant will give you small gifts to demonstrate his goodwill while he bilks you for months' worth of rent. The idea is to make you feel better while you are being take advantage of. I had a tenant who delivered pizza to my house. (I was afraid it might be poisoned because I was evicting him). ■

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Setting Your Salary

What's the right amount for a small business owner?

By Williams & Nulle, PLLC

One of the greatest perks of owning a small business is flexibility. You can set your own hours and salary. You can plot the firm's trajectory without consulting your boss, upper management, or even corporate policy. But that same flexibility may become a curse if handled unwisely. A small business owner without discipline and a well-thought-out strategy may fall into serious financial trouble. Employees in larger firms often rely on the human resources department to establish pay scales, retirement plans, and health insurance policies. In a small company, all those choices – and many more – fall to the owner, including decisions about personal compensation.

While there's not a one-size-fits-all formula for determining how much to pay yourself as a business owner, here are three factors to consider:

Personal Expenses

Tracking your business and personal expenses separately makes it easier to track the firm's cash flow and lets you know how much salary you can realistically draw without hurting profitability. Start with your household budget, then determine how much you're willing to draw from personal savings to keep your household afloat as the company grows. For a start-up company, owner compensation may be minimal. Beware, however, of going too long without paying yourself a reasonable salary. Be sure to document that you're in business to make a profit; otherwise the IRS may view your perpetually unprofitable business as a hobby – a sham enterprise aimed to avoiding taxes.

The Market

If you were working for someone else, what would they pay for your skills and knowledge? Start by answering that question; then discuss salary levels with small business groups and colleagues in your geographic area and industry. Check out the Department of Labor and Small Business Administration websites. In the early stages of your business, you probably won't draw a salary that's commensurate with the higher range of salaries, but at least you'll learn what's reasonable.

Affordability

Review and continually update your firm's cash flow projections to determine the salary level you can reasonably sustain while keeping the business profitable. As the company grows, that level can be adjusted upward.

For assistance with this issues or other business concerns, contact your CPA.

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Have a Safe and Happy Halloween!!

