



## GOOD COLLECTION PRACTICES

1. When receiving a rental application have applicants bring to you the following:
  - a) Social Security Card
  - b) Driver's License
  - c) **COPY OF MOST RECENT CHECK STUB WITH YEAR TO DATE EARNINGS.**

Make copies of the above and put in Tenant Folder. The check stub will give you employee #, confirm earnings, etc. It will often list any garnishments. A collection agency will LOVE you if you have this information. As a landlord the check stub confirms earnings.

- a) For Self Employed – 2 years of Tax Returns
  - b) For new hires – Letter of hire from new employer **HOWEVER** require them to bring you a copy of check stub with earnings listed as soon as possible.
  - c) For retirees – copies of deposit slips, retirement funds, SS check stub, etc.
2. Have a detailed Rental Agreement listing Fees and rent amounts tenant is required to pay – Non-refundable cleaning fee or pet fee; Security Deposit, etc.
3. Make sure there is wording in Rental Agreement that litigation over the tenancy will take place in the County the unit is located.
4. Screen all adults/lease holders. Use a solid Tenant Selection Policy to make objective decision.
5. Move-in Move-out Form. **BEFORE tenant moves in OR moves-out** - Make sure the form is dated and all paragraphs initialed by tenant and owner/landlord, signed by both parties at time of each walk through. Take photos of unit or better yet, film the rooms and outside **BEFORE** move-in and **AFTER** move-out. Photos and film do not lie!!!
6. All adults should sign the lease. The more people you have to go after who earn money the better your chances of getting your money.
7. All co-signers should sign lease. If they won't, then have them sign a strong worded Co-signer Agreement.
8. Screen Co-signers – Qualification: 5 X's rent amount and perfect credit.
9. During tenancy - when communicating with Tenants put it in writing. Keep copies! Send same communications to co-signers.

10. When serving Pre- eviction Notices, make sure you include all the Lease-holders and Co-signer if there is one. LEARN THE RULES ON HOW TO SERVE NOTICES TO CO-SIGNERS.
11. If an eviction takes place – LEARN THE RULES OF INCLUDING CO-SIGNER if there is one.
12. Ledger Card – keep good books. When tenant pays rent make sure to apply current payment towards OLDEST DEBT OWING.
13. When tenant is late on rent – go after them as described in the Rental Agreement. Serve notices within the described due dates, etc. Do not let them occupy unit without paying rent. You then demonstrate that this is a legitimate BUSINESS TRANSACTION by following the agreement as written.
14. A collection agency will usually take an account for the rent due and owing but only when a Lease Agreement has been signed, all documents listed above are included to back up the alleged debt.
15. When rent is still owing and tenants move out – use the Security Deposit for damages (holes in wall, soiled carpet, etc.) first. Subtract the past-due rent second. It is easier to get back past-due rent because you have the Rental Agreement to back up your claim. Damages are a different situation – very difficult.
16. Damages can be a he said/she said mess. Collection agencies can't take these on unless you have a judgment. Take the tenants to Small Claims Court.
17. If you go to Small Claims Court for damages then include the rent due and owing, if any. Better to have a judgment for everything if you can. Rent and Damages.
18. Important: When going to Small Claims Court do your homework. Take a copy of the RCW code that dictates the position you are taking. Most judges at Small Claims Court do not know the Landlord Tenant Law. You need to “educate” them. Give them a copy of the law so they can rule correctly and hopefully in your favor. If required to Mediate take copy of RCW to back up your claim.
19. Do everything in your power to keep track of where the tenants have moved to and/or are working. The most difficult problem facing a Collection Agency is finding the tenants. It is expensive to try and find them.
20. Give the Collection Agency all of your pertinent paperwork relating to the tenancy with a clear and concise Ledger Card. Include a copy of the Rental Application with the SS#, etc listed.
21. Let them do their work. Landlord collections have the lowest recovery rate. If the tenants think so little of taking care of life's essentials such as paying for **housing** that they would not pay their rent then they are usually the bottom of the barrel when it comes to being responsible for any part of their life.
22. What the Collection Agency can do for you (that you can count on) is to list the debt on the tenants credit report. This is a great service!
23. If you have a judgment and the ex-tenant goes to buy a house or inherit money they will have to first pay off judgments listed on the credit report.