

## Ask The Administrator

**Storm Sandy caused much damage and problems for many New Yorkers. My heart and best wishes go out to all persons affected by the storm.**

**In the aftermath of the storm, I received many calls from RSA members eager to do their part to assist fellow New Yorkers displaced because of the devastation. Those conversations provided the opportunity to review lease signing procedures. Disaster or not, you should not rush into signing leases. Bad things happen in real estate when one rushes.**

**Bear in mind, as I always say, “The greatest property right in the world is to be a rent regulated tenant in the City of New York.”**

**As such, please use this checklist as a guide to help you avoid the agony and expense of Housing Court or Civil Court which may be necessary later on to collect unpaid rent or to address other potential problems.**

- 1. Use a lease application.** The more information you receive from the applicant at the outset will enable you to make the best judgment under the circumstances and, potentially, provide you with information which may be helpful to you in the event the applicant becomes your tenant and later breaches their lease.
- 2. Make sure to use RSA’s Court & Credit service for your background and credit searches.** Those searches include credit information, as well as information about any housing cases or criminal records. The fees are under the \$100.00 limit for reimbursement by the tenant.
- 3. Do not be blinded by cash or additional payments from the tenant as inducements to skip the search or, for that matter, any of the steps in your checklist.** Just because the tenant is in a rush does not mean that you have to be; the tenant may also have reasons other than timing for you to overlook your usual procedures.
- 4. In connection with the application, only you or a person you trust should make photocopies of the tenant’s identification (driver’s license, passport, etc.), bank statements, employment records and tax returns.** Anything can be “photo-shopped” or otherwise manipulated using technology today. You should get letters of recommendation and confirm their source.
- 5. Verify the information you receive,** especially employment-related information.
- 6. If you use a broker, make sure that they utilize all three credit agencies (which is Court & Credit’s practice) and you must then take the time to read the reports yourself.** Remember, particularly if you will be residing in the same building as the applicant, you will literally have that person as your neighbor potentially for many years.
- 7. It is permissible to visit the applicant where they live.** It might be indicative of how they would take care of your apartment.
- 8. Take photographs of the apartment prior to occupancy and have the tenant of record sign them before you give them the keys.** That will protect you if the tenant someday claims there were problems dating from when they first rented the apartment or that it lacked some service.
- 9. Take a photograph of all of the adult proposed occupants of the apartment and have the tenant sign off on it.**
- 10. Make sure that you use an RSA form lease.** Their regulated and non-regulated leases are spot-on and are among the best reviewed and prepared leases in the market today.
- 11. For a regulated apartment, you can ONLY collect the first month’s rent and one month security.**
- 12. Place the security in a segregated account; your bank will know how to do that.**
- 13. If there is a guarantor, make sure that you have proof of identity (make the copies yourself) and make sure that their signature is notarized.** Notarizing the document means they had to provide proof of identity to the Notary Public as well. It will avoid claims later that the signature is a forgery.
- 14. Make sure that the check clears before you hand over the keys.** Personal checks are always subject to collection and out-of-State checks take the longest. Money orders can be stopped and, contrary to belief, cashier’s or bank or official checks can also be stopped. Advise your bank you are depositing an official or bank check and they will show you how to expedite the deposit process. There will be a delay nonetheless and you must wait for it to clear before handing over the keys.
- 15. When in doubt, contact an RSA or your legal attorney. In addition, the attorneys of the RSA Legal Services Plan are available to its subscribers as well.** Better to laugh at the question than cry later on. ■



Information provided by Howard Stern, Esq., who is solely responsible for its content. Mr. Stern is the Administrator of the RSA Legal Services Plan.