



MBM Property Management LLC

**MBM PROPERTY MANAGEMENT  
POLICY AND PROCEDURES MANUAL  
FOR TENANTS**

# TABLE OF CONTENTS

## Contents

<b>WELCOME TO MBM PROPERTY MANAGEMENT .....</b>	<b>17</b>
<b>GOVERNANCE AND ASSOCIATIONS.....</b>	<b>17</b>
Government Agencies .....	17
▪ Federal agencies.....	17
▪ State agencies .....	17
<b>PROPERTY MANAGEMENT POLICIES .....</b>	<b>18</b>
Department of Real Estate .....	18
Fair Housing.....	18
▪ The Civil Rights Acts of 1866 and 1870, 42 U.S.C. Sections 1981, 1982 .....	18
▪ This Act provides that all persons have the same right to make and enforce contracts, to the full and equal benefit of all laws and proceedings for the security of persons and property, as is enjoyed by white citizens.....	18
▪ Cases have held that these laws prohibit refusing to sell lots to African Americans; a homeowner association’s discriminatory interference with the sale of a home to a black person, racial based steering, racially motivated opposition to the construction of low-income housing. ....	18
▪ Title VIII of the United States Civil Rights Act of 1968, as amended in 1988 .....	18
▪ Prohibits discrimination based on race, color, religion, sex, national origin, handicap, familial status, or handicap in the sale or rental of housing. Prohibited acts include refusing to sell or rent, discriminating on terms, discriminatory advertising, and discrimination in the provision of brokerage services, “steering,” and “redlining.” .....	18
Americans with Disabilities Act .....	18
Antitrust.....	19
▪ MBM will not tolerate violations of Antitrust. ....	19
▪ All Personnel understand that the current MBM management fee policy supports Antitrust. ....	19
▪ Personnel understand that MBM policy is that all fees and/or commissions are negotiable with clients.....	19
▪ Personnel are not to discuss, collude, or set fees/commissions with other real estate agents, brokers, and/or groups.....	19
▪ If any Personnel have concerns regarding any activity that could be a violation of Antitrust, they are to contact Management immediately before proceeding further. ....	19
RESPA.....	19
▪ Federal law requires all licensed agents to meet all guidelines and laws regarding the Real Estate Settlement and Procedures Act (RESPA). ....	19
▪ MBM will not tolerate violations of RESPA in any real estate/property management business.....	19
▪ Personnel cannot promise or give referral fees to mortgage brokers, title companies, escrow officers, and/or any other person under the guidelines of RESPA.	

▪ Personnel cannot receive referral fees from mortgage brokers, title companies, escrow officers, and/or any other person under the guidelines of RESPA.....	19
▪ Personnel cannot pay any referral fees to non-licensed persons, and this includes attorneys.....	19
▪ Personnel cannot advertise referral fees or other inducements.....	19
▪ If any Personnel have concerns regarding any activity that could violate RESPA, they are to contact Management immediately before proceeding further. ....	19
Environmental Protection Agency, EPA.....	19
▪ MBM follows all EPA legislation and guidelines regarding lead-based paint. Please refer to next section.....	19
Red Flags Rule, FTC.....	19
▪ All personnel are required to read and acknowledge the MBM Red Flags Office Policy.....	19
Residential Lead-based Paint Reduction Act (RLPHRA) .....	20
▪ RLPHRA requires residential sellers, property owners and their real estate agents of pre-1978 residences to disclose if they know of lead-based paint and provide buyers and tenants with an informational booklet about lead-based paint. ....	20
▪ Federal law does not require sellers and property owners to remove lead-based paint.....	20
▪ Long-term leases and month-to-month rentals require the disclosure and information booklets given to tenants regarding lead-based paint.....	20
▪ Short-term rentals less than 100 days are exempt. ....	20
▪ Homebuyers can waive the 10-day contingency period in writing.....	20
Uniform Regulations of Landlord Tenant, URLTA.....	20
Service Members' Civil Relief Act of 2003, SCRA .....	20
▪ This act replaced the Soldier and Sailor's Civil Relief Act of 1940. ....	20
▪ This gives all military certain rights in public housing, mortgage, credit, and employment issues while they are serving their country.....	20
▪ The SCRA protects service members from Unlawful Detainer actions in most cases when called to duty. It does not excuse rent, but makes provisions for relief.....	20
Federal Communications Commission (FCC).....	20
▪ There is additional MBM policy concerning Do-Not-Call/Fax/Email in this manual.	20
Fair Credit Reporting Act (FCRA) .....	20
▪ Credit plays a significant role in both real estate and property management. ....	20
Equal Credit Opportunity ACT (ECOA).....	21
Fair and Accurate Credit Transactions Act (FACTA).....	21
▪ The MBM policy includes the Junk Protection Act of July 2005. ....	21
▪ A document shredding policy is contained in this manual under the Office Policies section. ....	21
Can-Spam Act, FTC .....	21
▪ MBM does send email newsletters without obtaining permission. ....	21
▪ MBM supplies an "opt-out" button on all email newsletters. ....	21
Not Limited to Manual.....	21
<b>STATE LAWS .....</b>	<b>21</b>
State Fair Housing Laws .....	22
State Lead-Based Paint Laws .....	22
State Credit Reporting Laws.....	23

State Megan's Law .....	23
Privacy Law .....	23
<b>LOCAL LAWS AND ORDINANCES .....</b>	<b>23</b>
<b>OFFICE INFORMATION .....</b>	<b>24</b>
Address .....	24
Telephone Numbers .....	24
Standard Business Hours .....	24
Email/Internet .....	24
<b>FAIR HOUSING .....</b>	<b>26</b>
Fair Housing Practices .....	26
▪ MBM requires all Personnel to agree to abide by Fair Housing in their association with MBM.....	26
▪ Fair Housing laws are very clear and specific in many ways when it relates to real estate/property management. MBM policies include, but are not limited to the following:	
26	
▪ Fair Housing and Clientele: MBM will not participate or continue with clientele who suggest or demand discrimination.....	26
Fair Housing Complaint Procedures .....	27
▪ It is the Management's responsibility to follow up on any complaint regarding Fair Housing. ....	27
▪ Management originates a file for each complaint.....	27
▪ Management notifies all parties of the complaint, such as clients, Personnel, vendors, and any other applicable party.....	27
▪ Management documents the actions of all parties involved and places the documentation in the specific complaint file. ....	27
▪ Any Personnel involved in the complaint process are to be responsible for filing documentation correctly, and to report any subsequent problems or incidents.....	27
▪ Management will file a proper response with the Fair Housing Authority when requested by that authority.....	27
▪ Management hires legal counsel for the complaint if Management feels it is appropriate. ....	27
▪ Management will continue to work on the complaint until it is satisfied and resolved.....	27
<b>Tenant.....</b>	<b>27</b>
▪ Tenant Funds.....	28
▪ Application fees.....	28
▪ Accepted applicants prior to occupancy .....	28
▪ Tenant funds after occupancy .....	28
▪ Tenants can pay any funds, with the exception of tenants under an unlawful detainer action, by: .....	28
▪ Non-sufficient funds .....	28
▪ Funds charged for additional services: .....	29
Security Deposit Funds .....	29
▪ Management pays all security deposits to the vacating tenant from the appropriate trust account. ....	29
<b>POLICIES ON PROPERTY MAINTENANCE .....</b>	<b>29</b>
General Maintenance Policy.....	29
Priority on maintenance.....	29
▪ Emergency.....	29
▪ Routine .....	29

- Rehabilitative .....29
- Maintenance procedures .....29
  - Management requires all maintenance forwarded to Management or the Property Manager for assignment. ....29
  - Management requires all Owner/landlords contacted when maintenance exceeds the authorized amount for repairs; Property Managers are to refer to the Owner Management contract when necessary.....29
  - Management requires all maintenance assigned to the appropriate vendors. ....29
  - Management requires Vendors to take before and after pictures and submit invoices.....29
  - Management requires all emergency maintenance followed up immediately by the personnel assigned to the task. ....29
  - Management requires all maintenance work orders reviewed bi-weekly for unfinished maintenance and reviewed at the end of the month.....29
  - Management keeps all keys at the MBM office in a coded system with a number assigned to each property or unit. ....29
  - Management keeps keys in a secure area. ....29
  - Management outlines the key policy later in this manual. ....29
- Vendors Scheduling Work with Tenants .....29
  - In an emergency, MBM deems a timely manner to be “as soon as possible.” .....30
  - If the maintenance is a non-emergency, MBM deems a timely manner as ‘within 5 of business days. ....30
  - The vendor is encouraged to schedule all maintenance as quickly as possible...30
  - MBM will NOT schedule appointments for vendors. ....30
  - Vendors are not to complete an appointment if the following occurs: .....30
- Supplying Owner Information to Applicants .....30
- Acceptable identification .....30
  - Acceptable identification.....30
  - Unacceptable identification .....30
  - If the identification does not fall within these four types, Personnel should bring any other form of identification to the attention of management. ....30
  - MBM reserves the right to refuse any identification that is not current. ....30
  - MBM reserves the right to refuse any identification that is not in a condition to be read. ....30
- Age Requirements for Tenants .....30
  - Marriage to an emancipated minor .....30
  - The emancipated minor must show supporting documentation. ....30
- Qualifying Requirements .....30
  - MBM requires all applicants to pay a processing or application fee of \$50 per application. ....31
  - MBM requires all information on income, rental history or ownership, and credit for processing. ....31
  - MBM does not accept application forms from other companies or organizations without authorization.....31
  - In general, MBM requires that the applicants earn a minimum combined income of 3 times the amount. ....31
  - In cases where the applicant(s) has a strong background, MBM reserves the right to approve an applicant if the income amount rule falls short by as much as \$3600 per month .....31

Number of Persons per Property .....	32
▪ MBM Personnel are not to “volunteer” this information to the public. ....	32
Pets.....	32
▪ The pet policy is to follow the Owners’ requirements for pets on their respective properties on the prospective pets and tenants.....	32
▪ MBM policy is to require a picture of the animal and good property owner references on the animal owned by the tenant.....	32
▪ Pet Shot records must be supplied.....	32
▪ Management must scrutinize all animals. ....	32
▪ MBM policy is not to rent to any “known” dangerous pets.....	32
▪ Any pet approved by MBM, requires all tenants to sign a pet agreement, and pay an increased amount to the normally required security deposit.....	32
▪ MBM reserves the right to deny the following animals (unless special circumstances prevail): .....	32
Increased Deposit Due to Pet.....	32
▪ Service animals do not require increased deposits under the Fair Housing Laws and they are not pets under this law. ....	32
▪ The Owner of the property has the prerogative to increase this amount, and MBM policy is to accept the Owners’ required amount for an increase deposit due to a pet but it is not to exceed the maximum allowable by law. ....	32
Funds Required for Pets.....	33
▪ Pet fee (non-refundable) .....	33
▪ Deposit for a pet.....	33
Water-filled furniture .....	33
▪ Tenant lists the furniture on the application or discloses it prior to renting. ....	33
▪ Tenant provides adequate insurance for water-filled furniture and names Owner as additional insured. ....	33
Vehicle restrictions .....	33
▪ MBM reviews the limit of vehicles per property and/or unit when a notice to move is received from a tenant.....	33
▪ MBM supplies the limit of vehicles to all prospective applicants. ....	33
▪ Once a prospective applicant discloses vehicles beyond the limit allowed, they cannot change the number without proof of disposal of the excess vehicle(s).....	33
Bankruptcy .....	33
▪ Bankruptcy was at least 2 years prior to rental application .....	33
▪ Tenant has established good credit since the bankruptcy period.....	33
▪ Tenant has not developed bad credit after the bankruptcy period .....	33
▪ Tenant has good income.....	33
▪ Tenant has good landlord history without history of eviction .....	33
▪ Owner gives consent to accept bankruptcy records .....	33
Home businesses.....	34
▪ A tenant cannot park a commercial vehicle illegally outside the residence .....	34
▪ A tenant cannot conduct business that requires heavy traffic in and out of the residence.....	34
▪ A tenant cannot conduct business that requires storage of large amounts of commercial products, such as paint, maintenance supplies, numerous vehicles, etc. .	34
Day Care .....	34

- The tenant must have a current Day Care license in the city and/or county where the tenant resides. .... 34
- The tenant must conduct all Day Care according to all current city, state, and federal laws. .... 34
- The tenant must pay the highest security deposit allowed by law. .... 34
- The tenant must supply liability policy for dollar amount for the Day Care business. 34
- The tenant must still meet the same requirements for all applicants within this policy manual. .... 34
- Section 8/Vouchers ..... 34
  - Applicants for Section 8 must still comply with all MBM policies for renting, and complete the same requirements in the application process contained within this policy manual. .... 34
  - Applicants must supply current Section 8 documentation. .... 34
  - Properties are not kept vacant for long periods or Section 8 applicants unless with the approval of the Owner. .... 34
  - All voucher programs must meet the same rental guidelines the owner has put in place. .... 34
- Co-signors ..... 35
  - MBM takes co-signors on a case-by-case basis, but only at the direction of the Owner of the property. .... 35
  - Accepting a co-signor may require an increase in the security deposit. .... 35
  - The increase to the deposit will not exceed the maximum allowed by law. .... 35
  - Co-signors must sign all other lease agreements and an agreement to co-sign. . 35
- APPLICATION PROCESS ..... 35**
  - Application Policy ..... 35
  - Red Flags on Applications ..... 35
    - The applicants are not what they represent. .... 35
    - The applicants will not fill out the application completely. .... 35
    - The applicants will not supply required documentation. .... 35
    - The applicants will not pay the required application fees. .... 35
    - The applicants are difficult and/or abusive. .... 35
    - The applicants “scratch out” and change information as they hear the requirements, e.g., no pets on the property, number of vehicles permitted. .... 35
  - The Application Requirements ..... 35
    - Proper documentation for income ..... 35
    - Proper documentation for contacting landlords and/or documentation for home Ownership ..... 35
    - Proper documentation for pets ..... 35
    - Additional documentation as necessary ..... 35
    - Signatures of all applicants ..... 35
  - Taking the Application ..... 36
    - MBM accepts all applications unless another application has been processed and previously accepted. .... 36
    - Personnel are to advise all applicants that MBM Personnel may not be immediately aware that other MBM Personnel have accepted an application for the same rental property. .... 36
    - Personnel are to provide a receipt for the applicant for the fees and application submitted. .... 36

- Personnel are to take the current MBM application fee in a cashier's check or money order ..... 36
- Personnel are to submit the application immediately to the Property Manager for processing. .... 36
- Incomplete Applications Requirements..... 36
  - Personnel should advise the application of the "approximate time expected" for processing the application, but advise that it can take longer if further documentation is required, or information is difficult to obtain. .... 36
  - Personnel should advise all applicants that MBM does not process any application without signatures due to credit reporting laws and screening company requirements. 36
  - Personnel should advise the applicant if further documentation is required. .... 36
- Processing of Applications..... 36
  - MBM processes all applications processed in a timely manner in number of days if MBM receives all information from the applicant. .... 36
  - If MBM requires more information, Personnel are to notify the applicant immediately. .... 36
  - It is Personnel's responsibility to follow up with the applicant if they do not receive the information. .... 36
  - It is Personnel's responsibility to notify Management if there are difficulties and assistance required..... 36
  - When the application is completed, Management reviews the application..... 36
  - Management denies or approves the application. .... 36
- Acceptance or Denial of Application ..... 37
  - Notifying an applicant of denial; it is Personnel's responsibility to contact the tenant:..... 37
  - Notifying an applicant of acceptance ..... 37
- Requirements of Acceptance..... 37
  - Require the necessary funds from the applicant in a cashier's check or money order within one business day..... 37
  - Require the applicant to sign a completion of renting form. .... 37
  - Require the applicant to take possession within number of days or weeks from date of availability. .... 37
  - Supply the approved applicant with MBM welcome packet. .... 37
  - Set up an immediate date with the applicant to sign all necessary documents. ... 37
  - Set up a move-in date for the property. .... 37
- TENANT MOVE-IN ..... 37**
  - Preparation for Move-in ..... 37
    - The following documents are to be prepared as necessary..... 37
    - The following materials are to be prepared:..... 38
    - Personnel are to complete the following maintenance:..... 38
    - Personnel are to complete the following notifications as needed..... 38
    - Personnel are to complete the following regarding advertising: ..... 38
- Completion of Leasing/Rental Agreements..... 39
  - Licensed Personnel are to sign tenants on rental documents as quickly as possible. .... 39
  - Licensed Personnel are to obtain signatures of all applicants 18 and over, and/or emancipated minors who are required on documents. .... 39
  - Personnel are to obtain proper identification at time of signing of documents..... 39



Funds Required.....	39
▪ Notify Management immediately if there is a problem with any funds for an approved applicant.....	39
▪ Obtain all funds, in cashier's check or money order, as quickly as possible. ....	39
▪ Obtain funds, paid in full, prior to possession. ....	39
▪ Do not allow possession until ALL funds are collected and all agreements signed with all signatures required. ....	39
Walk-through of Property.....	39
▪ Walk-through.....	39
▪ Keys and openers during walk-through .....	39
Maintenance.....	39
▪ Note new maintenance items or previous maintenance items not completed during walk-through and order as soon as possible, unless Owner authorization is required. ....	39
▪ If vendors cannot complete maintenance, Personnel are to notify Management and/or the Property Manager immediately. ....	39
Follow-up after Tenant Move-in .....	40
▪ Review for last time all advertising and cancel if appropriate. ....	40
▪ Documentation is reviewed by the Broker/Manager in accordance with Texas Real Estate Commission .....	40
▪ File documentation appropriately. ....	40
▪ Prepare and send letter to tenant .....	40
▪ Prepare and send letter to owner .....	40
▪ Discontinue any unnecessary utilities and request closing bills .....	40
▪ Review maintenance as necessary and complete in a timely manner .....	40
▪ Notify Management if any difficulties are noted. ....	40
<b>TENANT NOTICES .....</b>	<b>40</b>
3-Day Notice to Pay or Quit, T118 .....	40
▪ Pay or Quit Policy.....	40
▪ Authorization .....	40
▪ Service.....	40
▪ Records .....	41
▪ Action.....	41
3-Day Pay for Charges Notice, T 81 .....	41
▪ Policy .....	41
▪ Authorization: .....	41
▪ Service:.....	41
▪ Records: .....	41
▪ Action:.....	41
3-Day Notice Breach of Covenant, T119 .....	42
▪ Policy .....	42
▪ Authorization: .....	42
▪ Service:.....	42
▪ Records .....	42
▪ Action.....	42
3-Day to Vacate to Tenant, T85.....	42
▪ Policy .....	42
▪ Authorization: .....	43
▪ Service:.....	43
▪ Records: .....	43

▪ Authorization to verify tenancy .....	43
▪ Action.....	43
3-Day to Vacate From Tenant, Eligible to Give Notice, T87 & T86.....	43
▪ Definition .....	43
▪ Personnel responsibility .....	44
▪ Authorization to verify tenancy .....	44
3-Day to Vacate From Tenant, Ineligible to Give Notice .....	44
▪ Definition.....	44
▪ Personnel responsibility .....	44
▪ Authorization to verify tenancy .....	45
#-Day to Change Terms of Tenancy, T51 .....	45
▪ Examples .....	45
▪ Notification .....	45
▪ Authorization .....	45
▪ Filing .....	45
#-Hour Notice to Enter Dwelling, T94 .....	45
▪ The reasons for posting this notice under <b>Texas</b> law are: .....	45
▪ Authorization: .....	46
▪ Records: .....	46
Notice of Belief of Abandonment, T83 .....	46
▪ Policy .....	46
▪ Authorization: .....	46
▪ Records: .....	46
<b>POLICIES DURING TENANCY .....</b>	<b>46</b>
Funds .....	46
▪ Rental due dates.....	46
▪ MBM accepts rental payments by:.....	47
Acceptable Forms of Rent .....	47
▪ MBM can deny personal checks at any time after a tenant has supplied a non-sufficient check to MBM .....	47
▪ Personal checks are not accepted if the tenant has established a record of bad payments .....	47
Unacceptable Forms of Rent.....	47
▪ Cash .....	47
▪ Coins.....	47
▪ Rolls of coins.....	47
Personnel Responsibilities for Rent Collection.....	47
▪ When received, the rent is to be procedures for rent received.....	47
▪ If Personnel note any discrepancy in rent payment and bring it to the attention of Management immediately.....	47
Red Flags and Rent.....	47
▪ A tenant who is not allowed to pay by personal check.....	47
▪ Omission of check signature .....	47
▪ Incorrect amount of rent .....	47
▪ Payment by person(s) not listed on the rental agreement.....	47
▪ Resident manager responsibilities for rent collection:.....	48
Late Rents Policies.....	48

- On the date of the month, the rent is late unless the date falls on the weekend or a holiday. ....48
- Tenants paying rent after the date of the month may be required to pay with a cashier’s check or money order. ....48
- Late rents can initiate a **3 Day Pay or Quit** notice. (Refer to Notices). ....48
- Additionally, late rent can initiate a **3 day Notice to Quit**. (Refer to Notices). ....48
- Communication of Late Rents .....48
  - If Management is not available, Personnel are to request from the tenant the following:.....48
  - Personnel are to instruct the tenant to do the following. ....48
- Late fees .....48
  - Late fee policy .....48
  - Recognized funds for late fees .....49
  - Unacceptable funds for late fees .....49
  - Personnel responsibilities regarding late fees .....49
- Non-sufficient funds.....49
  - Non-sufficient funds policy .....49
- Addition of Tenants during Rental/Lease Agreement .....50
  - Company policy.....50
  - Responsibility of MBM Personnel .....50
- Conditions for Adding a Tenant .....50
  - Requirements.....50
  - Acceptance of application: .....50
  - Denial of application: .....50
- Requirements to Add a Minor: .....50
  - The authorized tenants must show legal guardianship. ....50
  - Management is to review the information. ....50
  - The Property Manager notifies the tenants of the decision and resolution if MBM denies the minor residency in the property.....50
- Deletions of Tenants.....50
  - One party gives a notice to vacate with other tenants remaining. ....50
  - The tenants abandon the property.....50
  - A tenant dies. ....50
- Partial Notice to Vacate .....51
  - Responsibilities of vacating tenant are as follows: .....51
  - MBM procedures.....51
  - Course of action .....51
- Tenant Death in Property.....51
  - Determination of death .....51
  - Procedure .....51
  - If there are no remaining tenants, the following must be determined and the proper paperwork executed: .....51
  - If there are remaining tenants, the current tenants must complete the following: .52
- Abandonment of Property by Tenants .....52
  - If MBM believes a property abandoned, MBM serves a Notice of Abandonment with **3** of days waiting period. ....52

- If it is determined that all tenants removed their possessions and vacated the property, MBM management will consult with the Owner of the property to receive authorization to take possession of the property. .... 52
    - Personnel must immediately notify Management if they believe a property abandoned..... 52
    - If MBM takes possessions, MBM follows the preparations for placing it on the rental market, if appropriate. .... 52
    - MBM files a copy of the signed Notice of Abandonment and any other records in the property/tenant file. .... 52
- Pet Policies during Tenancy ..... 52
  - Legal pets ..... 52
  - Addition of legal pet..... 52
  - If MBM denies the addition of a pet, the following procedure is required: ..... 53
  - If MBM approves the addition of a pet, the following procedure is required of the tenant:..... 53
- Removal of a Legal Pet ..... 53
  - Personnel are required to file proper documentation, but are not to change the rental/lease agreement. .... 53
  - Instead, MBM Personnel file notes regarding the removal of the pet in the property/tenant file. .... 53
  - It is MBM policy not to return any portion of the security deposit due to the removal of the pet prior to vacancy of the property by all tenants..... 53
- Replacement of a Legal Pet ..... 53
  - Tenants are to submit the information on the pet to MBM and reviewed as outlined in “addition of a pet.” ..... 53
  - A survey of the property is to be completed..... 53
  - A new pet agreement is to be completed..... 53
  - MBM puts the tenant on notice that the property owner may require another security deposit increase..... 53
  - All paperwork received regarding the replacement pet filed in the property/tenant file. 53
- Illegal Pets..... 53
  - Personnel are to notify the tenant the pet is a violation of their rental/lease agreement. .... 53
  - The Property Manager will then determine if the pet can remain by following the procedures as outlined in “To add a pet” previously outlined under the “legal pet” section. .... 53
  - The Property Manager will follow all procedures until the pet issue is satisfied. .. 53
  - Personnel are to fill all correspondence, notes, and notices regarding the illegal pet in the property/tenant file..... 53
- Violent Pets ..... 53
  - The tenant is issued a Violent Pet letter ..... 53
- Maintenance during Tenancy ..... 54
  - MBM office maintenance procedures ..... 54
  - Tenant requirements on maintenance ..... 54
- Mold Issues ..... 54
  - The Property Manager acknowledges the tenant’s report of mold and investigates immediately with licensed contractor’s who are authorized to determine types of molds and treatments..... 54

- The Property Manager notifies the owner immediately of any mold problems. ....54
- The Property Manager works with the owner to solve all mold issues equitably and as expediently as possible. ....54
- Lead-based Paint Issues .....54
  - When repairs are necessary involving lead-based paint, MBM uses only licensed contractors who are qualified to work on lead-based paint repairs. ....54
  - The Property Manager notifies both tenants and owners of lead-based paint issues according to EPA guidelines. MBM provides tenants with the required pamphlet, “Lead-based Paint in Your Home,” which was provided when they moved into the property as well.....54
- Pest Control during Vacancy .....55
- Tenant Correspondence during Tenancy.....55
  - Personnel are to be responsible toward the filing of any tenant correspondence in the appropriate file in the event of any difficulties or legal problems.....55
  - Tenant Correspondence Policy .....55
- Tenant Email .....55
  - MBM encourages all tenants to communicate through the buildium system. ....55
  - Personnel are to handle email correspondence as outlined in the previous section on Tenant Correspondence. ....55
  - Tenant email addresses are to be kept in confidentiality and not distributed to parties outside of MBM .....55
- Tenant Problems/Complaints during Tenancy .....55
  - Definition of “tenant problem and/or complaint”: .....56
  - MBM company procedure .....56
- Key Policies during Tenancy .....56
  - Keep all keys identifiable by a code and not by the residence address. ....56
  - Re-key when re-renting a property. ....56
  - MBM does not give keys to vendors, agents, property owners, or any other party without the approval of Management. ....56
  - Never give out the last key to a property or unit, entry, or gate.....56
  - Keep a duplicate of a key for each residence in the event of an emergency.....56
  - Supply an additional key to resident for **\$20.00** .....56
  - Tenant must show appropriate ID to obtain additional key. ....56
  - Keys and Vendors.....56
  - Keys and Sales Agents .....57
- Property Is For Sale during Tenancy .....57
  - Keys.....57
  - Showings .....57
  - Maintenance .....57
- Tenant References for Renting.....57
- Tenant References during Eviction.....57
- Tenant References for Institutions .....57
- Subpoenaed Tenant References .....58
  - MBM will give out information regarding tenants when required by a court-ordered subpoena.....58
- Personnel Responsibilities to Reference Calls.....58
  - Unless specifically authorized, Personnel are not to give out tenant references. .58
- Owner Information for Tenants .....58

- It is MBM policy not to give out personal addresses or telephone numbers of Owners because they have hired MBM to act as their agent. (Company Initials) will give the name of the Owner, the source of public record, and the prevailing County of the property, if asked. ....58
- Personnel responsibilities regarding Owner information .....58
- Personnel are to follow this policy and are not to give out the addresses and telephone numbers of the Owner/landlord. ....58
- Personnel are to notify Management of the tenant request for information from the Owner. ....58
- At the direction of Manager and/or Property Manager, Personnel are to forward the tenant request for information to the Owner. ....58
- Credit Reporting During Tenancy .....58
  - MBM policy further notifies all tenants when serving notices of the same credit-reporting requirement.....58
  - Required wording .....58
  - Initiation of credit reporting .....58
- Cable/Satellite/TV Request.....59
  - Tenants are responsible for the cost of installation and the Landlord and/or Landlord’s agent will not reimburse you at any time. ....59
  - When the company completes the installation, there is to be no damage to the property. If there is damage, tenants are responsible for the cost of repairs and/or maintenance. ....59
  - If a satellite dish or antenna, tenants must call us for approval of the location prior to installation.....59
  - If the company installing the tenant’s request requires written authorization, they are to submit their documentation to our office.....59
  - When tenants leave the property, they must give proper notice to the service company to disconnect the services and pay all charges for disconnection and any amount due.....59
  - Any damage incurred upon disconnection will be at tenant expense. ....59
- TENANT MOVE-OUT PROCEDURE ..... 59**
  - Notice from Tenant.....59
    - A **60** Day to Vacate is required from the tenant in writing. ....59
    - Verbal notices are not accepted.....59
    - Personnel are to be careful not to imply that a verbal notice is acceptable. ....59
    - The day MBM receives the notice in MBM office or E-mail is the day the notice begins.....59
    - Tenants can obtain a form in MBM office for giving a notice or email MBM using Manager.MBMProperties@gmail.com .....59
    - The following is procedure upon receiving a **60** Day to Vacate.....59
  - Notice to Tenant.....60
    - Management directs the Notice to Tenant. ....60
    - MBM gives a **60** Day to vacate the tenant in writing according to the state requirements.....60
    - The day MBM delivers the notice to the Tenant is the day the notice begins. ....60
    - MBM procedure upon receiving notice: .....60
    - Management directs if the property is to be put on the re-rent list .....60
    - MBM schedules a walk-through with the tenant on an appropriate date. ....60
    - If the tenant is not going to schedule a walk-through, the tenant must arrange to deliver keys to MBM on vacating.....60

Vacating Of Property/Unit.....	60
▪ MBM Personnel are to note the date the tenant turns in the keys in the property/tenant file.....	60
▪ If the tenant comes into MBM office to return keys, Personnel are to request a forwarding address and forwarded to bookkeeping and the Property Manager, as well as placed in the property/tenant file. ....	60
▪ MBM is to perform the move-out inspection and estimates on move-out charges. 60	
▪ The Property Manager is to forward the estimates on move-out charges to bookkeeping. ....	60
Maintenance upon Vacancy: .....	60
▪ The maintenance needed is to be determined at the move-out inspection. ....	60
▪ The Property Manager is to notify the property owner of any necessary maintenance to re-rent the property. ....	60
▪ Personnel are to schedule maintenance in a timely manner, and the property is to be prepared for new tenancy or termination of property. ....	60
▪ Personnel and vendors are to secure the property when leaving vacant property or unit.....	60
Security Deposit of Vacating Tenant.....	61
▪ MBM Personnel discuss any major damages with the property owner. ....	61
▪ Bills are to be collected for disbursement of the security deposit statement. ....	61
▪ If necessary, MBM uses estimates for deductions from security deposits until receiving the bills. ....	61
▪ If the vacating tenant owes money for rent and/or damages, it is to show on the security deposit transmittal, and a letter of request is to be prepared with the transmittal. ....	61
▪ Bookkeeping makes three copies of the deposit accounting sheet distributed as follows:.....	61
▪ If money is due vacating tenant, bookkeeping is to prepare the check for signature and give it to the Property Manager. ....	61
▪ The Property Manager approves and an authorized party signs the check.....	61
▪ The Property Manager mails the funds to the former tenant with an explanation of funds and/or damages. ....	61
Security deposit disputes.....	61
▪ Management requires Personnel to notify them immediately of any security deposit dispute.....	61
▪ All security deposit disputes are to be handled in a very timely manner by Management.....	61
▪ The Property Manager consults property owners on security disputes as necessary. ....	61
▪ The Property Manager works to achieve resolution of the security deposit complaint as quickly as possible. ....	61
▪ MBM and/or the Owner will consult with legal counsel as deemed necessary. ....	61
<b>EMERGENCY PROCEDURES FOR TENANTS .....</b>	<b>62</b>
Emergency Policies .....	62
▪ Personnel are to inform Management and/or the Property Manager of any possible emergency.....	62
▪ Evaluate the emergency and plan response.....	62
▪ Management and/or the Property Manager will evaluate the emergency. ....	62

▪ Management and/or the Property Manager will supervise necessary actions appropriate for the emergency and contact the owner when practical. ....	62
Tenant Procedures .....	62
▪ MBM advises Tenants to prepare for emergency in the Tenant Handbook.....	62
▪ MBM advises Tenants that MBM may not be able to perform maintenance due to emergency conditions. ....	62
▪ MBM advises Tenants that the MBM office may close during emergencies.....	62
▪ MBM advise Tenants to report only necessary emergency repairs during and emergency/disaster.....	62
Follow-up on emergency procedures.....	62
▪ MBM consults with the Owner regarding all maintenance and all maintenance decisions over the Owner Limit are at the authorization of the owner.....	62
▪ MBM will advise tenants if an insurance claim is pending and may delay repairs. 62	
▪ MBM will work to complete all maintenance in a diligent manner. ....	62
<b>APPENDIX A .....</b>	<b>63</b>
A1 - Policy and Procedures Acknowledgement Form .....	63
A2 - Personnel Information Form.....	63
A3 - Office Key/Alarm Form.....	63
A4 - Personnel Change of Information Form.....	63
A5 - Personnel Confidentiality Agreement .....	63
A6 - Disclosure Authorization .....	63
A7 - Supply Request.....	63
A8 - Office Policy Change.....	63
A9 - Internet/Email Agreement .....	63
A10 - Year End Checklist.....	63
A11 - Hands-free Cellular Agreement.....	63
<b>MBM PROPERTY MANAGEMENT .....</b>	<b>64</b>
<b>POLICY AND PROCEDURES MANUAL ACKNOWLEDGEMENT.....</b>	<b>64</b>





## **WELCOME TO MBM PROPERTY MANAGEMENT**

MBM Property Management's goal is to provide the best in professional Property Management and service to our clients

### **GOVERNANCE AND ASSOCIATIONS**

MBM incorporates the laws and guidelines of the following agencies into the operation of MBM Property Management

#### **Government Agencies**

It is the policy of MBM to follow, but is not limited to, the guidelines of the following government agencies.

- Federal agencies
  - IRS - Internal Revenue Service
  - HUD – Housing and Urban Development
  - EPA – Environmental Protection Agency
  - FTC – Federal Trade Commission
- State agencies
  - Texas Real Estate Commission
  - Texas Agency for Taxes
  - Texas Department of Labor

## **Property Management Policies**

MBM incorporates the following policies into the operation of MBM Property Management and Real Estate Sales.

### **Department of Real Estate**

MBM follows all guidelines and requirements of the Texas Real Estate Commission.

### **Fair Housing**

MBM follows all federal and state Fair Housing laws and guidelines. Fair Housing affects all areas of the real estate/property management industry. There is a separate section on Fair Housing policies to follow in this manual and many cross-references throughout this manual.

The U.S. Department of Housing and Urban Development (HUD) administers the Federal Fair Housing Law. This agency plays a significant role in the real estate/property management industry. The office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that everyone has equal access to the housing of their choice.

The following federal acts are the foundation for Federal Fair Housing.

- The Civil Rights Acts of 1866 and 1870, 42 U.S.C. Sections 1981, 1982
- This Act provides that all persons have the same right to make and enforce contracts, to the full and equal benefit of all laws and proceedings for the security of persons and property, as is enjoyed by white citizens.
- Cases have held that these laws prohibit refusing to sell lots to African Americans; a homeowner association's discriminatory interference with the sale of a home to a black person, racial based steering, racially motivated opposition to the construction of low-income housing.
- Title VIII of the United States Civil Rights Act of 1968, as amended in 1988
- Prohibits discrimination based on race, color, religion, sex, national origin, handicap, familial status, or handicap in the sale or rental of housing. Prohibited acts include refusing to sell or rent, discriminating on terms, discriminatory advertising, and discrimination in the provision of brokerage services, "steering," and "redlining."

### **Americans with Disabilities Act**

This Act prohibits discrimination against individuals with disabilities in employment, public services, telecommunications, public accommodations, and commercial facilities.

The provisions of the ADA regarding commercial facilities and public accommodations affect the real estate/property management industry by requiring owners or lessees of such buildings to make sure that their buildings comply with the rules.

## **Antitrust**

MBM follows all laws regarding Antitrust.

- MBM will not tolerate violations of Antitrust.
- All Personnel understand that the current MBM management fee policy supports Antitrust.
- Personnel understand that MBM policy is that all fees and/or commissions are negotiable with clients.
- Personnel are not to discuss, collude, or set fees/commissions with other real estate agents, brokers, and/or groups.
- If any Personnel have concerns regarding any activity that could be a violation of Antitrust, they are to contact Management immediately before proceeding further.

## **RESPA**

It is the responsibility of all Sales Agents to know the guidelines and laws regarding the Real Estate Settlement and Procedures Act (RESPA).

- Federal law requires all licensed agents to meet all guidelines and laws regarding the Real Estate Settlement and Procedures Act (RESPA).
- MBM will not tolerate violations of RESPA in any real estate/property management business.
- Personnel cannot promise or give referral fees to mortgage brokers, title companies, escrow officers, and/or any other person under the guidelines of RESPA.
- Personnel cannot receive referral fees from mortgage brokers, title companies, escrow officers, and/or any other person under the guidelines of RESPA.
- Personnel cannot pay any referral fees to non-licensed persons, and this includes attorneys.
- Personnel cannot advertise referral fees or other inducements.
- If any Personnel have concerns regarding any activity that could violate RESPA, they are to contact Management immediately before proceeding further.

## **Environmental Protection Agency, EPA**

MBM follows the guidelines of the Environmental Protection Act in respect to public housing guidelines and mandates.

- MBM follows all EPA legislation and guidelines regarding lead-based paint. Please refer to next section.

## **Red Flags Rule, FTC**

MBM has developed a written policy for the Red Flags Rule as required by the Federal Trade Commission (FTC).

- All personnel are required to read and acknowledge the MBM Red Flags Office Policy.

## **Residential Lead-based Paint Reduction Act (RLPHRA)**

Lead-based paint was banned by the Federal Consumer Product Safety Commission in 1978 because lead-based paint exposure can harm individuals exposed to contaminated dust, soil, or deteriorated paint. To enforce the ban, Congress enacted RLPHRA in 1992.

- RLPHRA requires residential sellers, property owners and their real estate agents of pre-1978 residences to disclose if they know of lead-based paint and provide buyers and tenants with an informational booklet about lead-based paint.
- Federal law does not require sellers and property owners to remove lead-based paint.
- Long-term leases and month-to-month rentals require the disclosure and information booklets given to tenants regarding lead-based paint
- Short-term rentals less than 100 days are exempt.
- Homebuyers can waive the 10-day contingency period in writing.

## **Uniform Regulations of Landlord Tenant, URLTA**

MBM follows the guidelines of the Uniform Residential Landlord Tenant Act in respect to public housing. This important legislation has great impact on the forms used in Landlord/Tenant law today.

## **Service Members' Civil Relief Act of 2003, SCRA**

MBM follows the guidelines of the Service members' Civil Relief Act of 2003 as it pertains to public housing and employment issues.

- This act replaced the Soldier and Sailor's Civil Relief Act of 1940.
- This gives all military certain rights in public housing, mortgage, credit, and employment issues while they are serving their country
- The SCRA protects service members from Unlawful Detainer actions in most cases when called to duty. It does not excuse rent, but makes provisions for relief.

## **Federal Communications Commission (FCC)**

The FCC, Federal Communications Commission has specific rules regarding cold calling, email, and fax as it pertains to real estate/property management.

- There is additional MBM policy concerning Do-Not-Call/Fax/Email in this manual.

## **Fair Credit Reporting Act (FCRA)**

MBM abides by all laws of the Federal Credit Reporting Act in all real estate/property management transactions.

- Credit plays a significant role in both real estate and property management.

## **Equal Credit Opportunity ACT (ECOA)**

MBM does not do business with any lender or creditor who does not follow ECOA. This Act prohibits discrimination based on race, color, religion, national origin, sex, marital status, or on the grounds of receipt of income from a public assistance program. Any lender or creditor who denies an application for credit must provide the applicant with a statement of the reasons or a written notification of the applicant's right to obtain a statement of the reasons.

## **Fair and Accurate Credit Transactions Act (FACTA)**

MBM follows the disposal provisions of the Fair and Accurate Credit Transactions Act (FACTA), particularly as it applies to shredding of documentation.

- The MBM policy includes the Junk Protection Act of July 2005.
- A document shredding policy is contained in this manual under the Office Policies section.

## **Can-Spam Act, FTC**

MBM follows all requirements of the Can-Spam Act for all marketing when doing bulk email newsletters.

- MBM does send email newsletters without obtaining permission.
- MBM supplies an "opt-out" button on all email newsletters.

## **Not Limited to Manual**

MBM policies for Property Management are not limited to the policies included in this section.

# **STATE LAWS**

Property managers are required to follow the Texas Property Code. The Texas Property Code is a working document and the laws change. Property managers need to stay educated on the changes and apply the changes as needed. Property Code 92 talks about management.

### **Real Estate Licenses**

In Texas, a property manager is required to have a real estate license. A property management company in Texas is required to have a real estate broker's license. Jobs that do not require a broker's license are collecting rent, property maintenance, and credit checks or background checks.

### **Evicting a Tenant**

If a property manager has cause to evict a tenant, there are several Texas laws that she must follow. First, she must give notice to the tenant. For rent disputes, it must be a written notice that is delivered via certified mail or in the presence of a witness. Then a petition must be filed with the court in the county where the rental is located. The eviction will then go to court.

## Returning Deposits

In the state of Texas, the property manager must return any security deposits that were made within 30 days of the renters leaving the premises. This is only if the terms of the security deposit have been kept, such as cleaning of the property. Any outstanding costs can be taken out of the deposit with an itemized list being sent to the former renter letting him know why he is not receiving all of his deposit. If the renter owes rent, rent can also be taken out of the security deposit.

## State Fair Housing Laws

Texas property Code paragraph 301 explains the Fair Housing Laws in Texas. Cities also have housing regulations are required.

## State Lead-Based Paint Laws

The Environmental Protection Act has specific guidelines for lead-based paint and environmental issues.

## **State Credit Reporting Laws**

The Federal Credit Reporting Act is Federal Law, but many states have additional credit reporting acts that specifically affect Real Estate/Property Management; list here.

## **State Megan's Law**

Megan's Law, enacted on May 17, 1996, mandates that a county is to receive notification of child offenders residing there and residents have access to that information.

## **Privacy Law**

The Federal Privacy Act is required to be followed by all Property Managers. All documents must be shredded or under a lock and key to protect the individual. If certain information is required then this should be stored under a password on the computer or in a locked cabinet.

## **LOCAL LAWS AND ORDINANCES**

Austin's "source of income" ordinance is now in effect. The ordinance applies to all transactions involving a real estate professional in the City of Austin, and it prohibits discrimination against any housing voucher holder (i.e. Section 8) by refusing to rent or show property to someone on the basis of their source of income. The ordinance also prohibits any advertising or notice that a rental property does not accept prospective tenants based on source of income.

## OFFICE INFORMATION

### Address

Mailing address            13450 Research Blvd  
Austin, TX 78750

### Telephone Numbers

Business                    **512-506-8318 Office Number**  
Fax                            **512-418-9899**

**Special note:** Personnel are not to give the after-hours telephone number out to clientele, tenants, or public, unless with permission of Management or in the event of a true emergency/disaster.

### Standard Business Hours

Weekdays, Mon-Fri      9 am – 5 pm  
Saturday                    9 am – 5 pm  
Sunday                        10 am – 3 pm  
Holidays                    By appointment

### Email/Internet

Email  
[Manager.MBMproperties@gmail.com](mailto:Manager.MBMproperties@gmail.com)

Website  
[www.mbmpropertymanagementllc.com](http://www.mbmpropertymanagementllc.com)





# FAIR HOUSING

## *MBM always supports, follows, and promotes Fair Housing*

MBM expects all Personnel to know and understand Fair Housing requirements. MBM will not tolerate any Fair Housing violations of any kind and does not discriminate based on race, color, religion, sex, handicap/disability, national origin or familial status.

### **Fair Housing Practices**

- MBM requires all Personnel to agree to abide by Fair Housing in their association with MBM.
  - MBM encourages and participates in the education of employees and independent contractors regarding Fair Housing Laws & Guidelines.
  - All Personnel and independent contractor forms, policies, and procedures incorporate the laws and guidelines of Fair Housing.
  - It is a requirement of all Personnel and independent contractors to report any problems or violations of Fair Housing to Management that they encounter while working for MBM.
  - Failure of any Personnel and/or independent contractor to abide by the applicable Fair Housing Laws is grounds for immediate dismissal.
- Fair Housing laws are very clear and specific in many ways when it relates to real estate/property management. MBM policies include, but are not limited to the following:
  - MBM proudly displays the required Equal Opportunity and Fair Housing signage in MBM office
  - MBM does not tolerate or promote discrimination of any kind regarding housing, and does not allow “steering” or “redlining” in any Real Estate/Property Management activity.
  - MBM does not allow “discriminatory advertising.”
  - MBM does not allow discriminatory treatment of disabled or handicapped persons.
  - MBM endeavors to maintain all documents, policies, and procedures within the Fair Housing Laws as well as any published guideline.
- Fair Housing and Clientele: MBM will not participate or continue with clientele who suggest or demand discrimination.
  - MBM will immediately take steps to end their association with clients who wish to participate in discrimination.
  - Personnel are to report any clients or prospective clients demanding discriminatory practices to the Broker/Manager.
  - The Broker/Manager has the ultimate authority to discontinue any association with any persons who participate in discrimination.

## **Fair Housing Complaint Procedures**

MBM Policy is to handle all Fair Housing Complaints expediently, fairly, and reach a suitable resolution. Personnel are to notify Management verbally, and in writing, of any possible Fair Housing complaints or action.

- It is the Management's responsibility to follow up on any complaint regarding Fair Housing.
- Management originates a file for each complaint.
- Management notifies all parties of the complaint, such as clients, Personnel, vendors, and any other applicable party.
- Management documents the actions of all parties involved and places the documentation in the specific complaint file.
- Any Personnel involved in the complaint process are to be responsible for filing documentation correctly, and to report any subsequent problems or incidents.
- Management will file a proper response with the Fair Housing Authority when requested by that authority.
- Management hires legal counsel for the complaint if Management feels it is appropriate.
- Management will continue to work on the complaint until it is satisfied and resolved.

### **Tenant**

- Once application is approved, funds are required
- Property is prepared
- Tenant completes documents, walk-through, and obtains possession
- Rent is due monthly
- Maintenance is performed as necessary All Issues in Writing
- Verbal and written communications are performed as necessary
- Tenant problems or disputes are handled as necessary
- Notice is given:
  - Tenant gives notice
  - Tenant is given notice
  - Tenant is evicted
- Tenant vacates property
- Walk-through is performed
- Security deposit disposition is completed. MBM has 30 days to return the deposit

- Tenant Funds

The following is MBM Policy on Tenant Funds. Personnel are to use extreme care at all time regarding Tenant funds and notify Management if there are any problems.

- Application fees
  - All applicants are required to pay an application fee.
  - All application fees must be paid by money order or cashier's check, made payable to MBM, no exceptions.
- Accepted applicants prior to occupancy
  - All funds prior to occupancy are accepted in cashier's check or money order only,
  - Receipts are to be issued for all funds prior to occupancy,
- Tenant funds after occupancy
  - Upon occupancy, tenants can pay by personal check, money order, or cashier's check or online through a portal software system.
  - Exceptions to payment by check fall under the non-sufficient funds section of this manual.
- Tenants can pay any funds, with the exception of tenants under an unlawful detainer action, by:
  - Mail
  - Direct deposit
  - On-Line through Buildium
  - MBM office
    - Tenants under an unlawful detainer action must pay at the MBM office in cashier's check or money order only.
- Non-sufficient funds
  - If a tenant provides a personal check that is non-sufficient funds, they must immediately reimburse MBM with a money order or cashier's check, within **8** of hours of notification.
  - If a tenant supplies MBM with a non-sufficient funds check, MBM may exercise its option to require the tenant to pay all future payments by cashier's check or money order.

- Funds charged for additional services:

Copies of contracts after first copy	\$1.00
Lost key duplicate	\$20.00

### **Security Deposit Funds**

- Management pays all security deposits to the vacating tenant from the appropriate trust account.

## **POLICIES ON PROPERTY MAINTENANCE**

### **General Maintenance Policy**

MBM tracks all maintenance through work orders on-line and requires all Personnel to keep accurate work orders. Keeping properties in a fair and reasonable condition for residents is a high priority for MBM Property Management. It is a responsibility to both the property owner and the tenant.

### **Priority on maintenance**

The following is the priority on maintenance in the MBM office.

- Emergency
- Routine
- Rehabilitative

### **Maintenance procedures**

Management requires all maintenance on written work orders through Buildium.

- Management requires all maintenance forwarded to Management or the Property Manager for assignment.
- Management requires all Owner/landlords contacted when maintenance exceeds the authorized amount for repairs; Property Managers are to refer to the Owner Management contract when necessary.
- Management requires all maintenance assigned to the appropriate vendors.
- Management requires Vendors to take before and after pictures and submit invoices.
- Management requires all emergency maintenance followed up immediately by the personnel assigned to the task.
- Management requires all maintenance work orders reviewed bi-weekly for unfinished maintenance and reviewed at the end of the month.
- Management keeps all keys at the MBM office in a coded system with a number assigned to each property or unit.
- Management keeps keys in a secure area.
- Management outlines the key policy later in this manual.

### **Vendors Scheduling Work with Tenants**

Vendors are required to schedule all appointments with the tenants in a timely manner.

- In an emergency, MBM deems a timely manner to be “as soon as possible.”
- If the maintenance is a non-emergency, MBM deems a timely manner as ‘within 5 of business days.
- The vendor is encouraged to schedule all maintenance as quickly as possible
- MBM will NOT schedule appointments for vendors.
  - Vendors are to follow up with tenants, as necessary, for scheduling of appointments.
  - Vendors are to be on time for appointments, and notify both tenant and MBM Property Management if they must delay the appointment.
- Vendors are not to complete an appointment if the following occurs:
  - The only person home is an unsuitable age. Any person under the age of 18 is unsuitable.
  - Tenant requires an unreasonable time when alternative times are available; if this occurs, vendors are to contact the Property Manager as soon as possible for assistance.

### **Supplying Owner Information to Applicants**

MBM policy is acting agent for the Owner. All Communication will go through the property management agent.

MBM will give applicants the source of all public records if they want to pursue direct contact with the Owner, but will not give out personal Owner address and telephone information.

### **Acceptable identification**

When accepting applications, MBM requires acceptable identification from all applicants.

- Acceptable identification
  - Current state driver’s license
  - Current state ID
  - Military ID
  - Current passports
- Unacceptable identification
  - Department store ID
  - Student ID
- If the identification does not fall within these four types, Personnel should bring any other form of identification to the attention of management.
- MBM reserves the right to refuse any identification that is not current.
- MBM reserves the right to refuse any identification that is not in a condition to be read.

### **Age Requirements for Tenants**

MBM policy requires all applicants to be 18 and over, with the following exceptions:

- Marriage to an emancipated minor
- The emancipated minor must show supporting documentation.

### **Qualifying Requirements**

MBM requires each applicant, 18 and over, and/or emancipated minor, to fill out an application form.

- MBM requires all applicants to pay a processing or application fee of \$50 per application.
- MBM requires all information on income, rental history or ownership, and credit for processing.
- MBM does not accept application forms from other companies or organizations without authorization.
- In general, MBM requires that the applicants earn a minimum combined income of 3 times the amount.
- In cases where the applicant(s) has a strong background, MBM reserves the right to approve an applicant if the income amount rule falls short by as much as \$3600 per month

## Number of Persons per Property

MBM policy is to follow the Fair Housing Guideline of two non-related people per bedroom. This is a “guideline” and there is no specific legislation.

- MBM Personnel are not to “volunteer” this information to the public.

## Pets

Pets are negotiable for all units, unless prohibited by Owner and/or any governing body. Service animals are not pets.

- The pet policy is to follow the Owners’ requirements for pets on their respective properties on the prospective pets and tenants.
- MBM policy is to require a picture of the animal and good property owner references on the animal owned by the tenant.
- Pet Shot records must be supplied
- Management must scrutinize all animals.
- MBM policy is not to rent to any “known” dangerous pets.
- Any pet approved by MBM, requires all tenants to sign a pet agreement, and pay an increased amount to the normally required security deposit.
- MBM reserves the right to deny the following animals (unless special circumstances prevail):
  - Dogs/cats:
    - Any dog or cat that shows any signs or tendencies of having an aggressive personality
    - Any dog or cat deemed dangerous by insurance companies or with a bad landlord referral
  - Large birds:
    - Parrots
    - Cockatoos
  - Reptiles
  - Farm Animals, including pot belly pigs

## Increased Deposit Due to Pet

The general policy is to collect an increase of **\$400** to the normal security deposit where there is approval of a pet.

- Service animals do not require increased deposits under the Fair Housing Laws and they are not pets under this law.
- The Owner of the property has the prerogative to increase this amount, and MBM policy is to accept the Owners’ required amount for an increase deposit due to a pet but it is not to exceed the maximum allowable by law.



## **Funds Required for Pets**

Accepted tenants must pay the following in hard cash, prior to renting. Hard cash is a cashier's check or money order. Personal checks or cash are not accepted.

- Pet fee (non-refundable)
- Deposit for a pet
  - If applicable, the additional amount required for a pet is not to be termed a "pet deposit"; it is an "increase to the security deposit"

## **Water-filled furniture**

MBM allows water-filled furniture with the following provisions.

- Tenant lists the furniture on the application or discloses it prior to renting.
- Tenant provides adequate insurance for water-filled furniture and names Owner as additional insured.

## **Vehicle restrictions**

MBM policy is to set the limit of vehicles for each property and/or unit, due to any limited parking facilities or space.

- MBM reviews the limit of vehicles per property and/or unit when a notice to move is received from a tenant
- MBM supplies the limit of vehicles to all prospective applicants.
- Once a prospective applicant discloses vehicles beyond the limit allowed, they cannot change the number without proof of disposal of the excess vehicle(s).

## **Bankruptcy**

MBM will accept applicants with a prior bankruptcy provided they meet the following requirements:

- Bankruptcy was at least 2 years prior to rental application
- Tenant has established good credit since the bankruptcy period.
- Tenant has not developed bad credit after the bankruptcy period
- Tenant has good income
- Tenant has good landlord history without history of eviction
- Owner gives consent to accept bankruptcy records

## Home businesses

MBM does not allow tenants to conduct any business that disrupts the peaceful living and enjoyment of the neighborhood, or violates any local, city, county, state, or federal law. MBM reviews home business on a case-by-case basis.

The following are examples, but are not limited to only these examples.

- A tenant cannot park a commercial vehicle illegally outside the residence
- A tenant cannot conduct business that requires heavy traffic in and out of the residence
- A tenant cannot conduct business that requires storage of large amounts of commercial products, such as paint, maintenance supplies, numerous vehicles, etc.

## Day Care

MBM policy permits a Day Care business in a residence if the tenants meet the following conditions.

- The tenant must have a current Day Care license in the city and/or county where the tenant resides.
- The tenant must conduct all Day Care according to all current city, state, and federal laws.
- The tenant must pay the highest security deposit allowed by law.
- The tenant must supply liability policy for dollar amount for the Day Care business.
- The tenant must still meet the same requirements for all applicants within this policy manual.

## Section 8/Vouchers

MBM policy is to rent to Vouchers applicants as long as the property owner approves the Section 8 program, and the property meets Section eight requirements.

- Applicants for Section 8 must still comply with all MBM policies for renting, and complete the same requirements in the application process contained within this policy manual.
- Applicants must supply current Section 8 documentation.
- Properties are not kept vacant for long periods or Section 8 applicants unless with the approval of the Owner.
- All voucher programs must meet the same rental guidelines the owner has put in place.

## Co-signors

MBM generally does not take cosignors unless special circumstances prevail and the property owner approves a cosigner.

- MBM takes co-signors on a case-by-case basis, but only at the direction of the Owner of the property.
- Accepting a co-signor may require an increase in the security deposit.
- The increase to the deposit will not exceed the maximum allowed by law.
- Co-signors must sign all other lease agreements and an agreement to co-sign.

***T3 Cosigner Application***  
***T31 Cosigner Addendum***

## APPLICATION PROCESS

### Application Policy

All Personnel are required to know the application policies (please refer to previous section of this manual) and to notify Management immediately if they experience any problems with applications.

### Red Flags on Applications

While taking applications, Personnel are to be cognizant of the following “red flags” and report them to Management immediately. The following is a list of “red flags,” but Personnel are to watch for any other signs that could be “red flags.”

- The applicants are not what they represent.
- The applicants will not fill out the application completely.
- The applicants will not supply required documentation.
- The applicants will not pay the required application fees.
- The applicants are difficult and/or abusive.
- The applicants “scratch out” and change information as they hear the requirements, e.g., no pets on the property, number of vehicles permitted.

### The Application Requirements

All persons 18 and over, and/or emancipated minor must submit a separate and completed application with a processing or application fee. This application must include:

- Proper documentation for income
- Proper documentation for contacting landlords and/or documentation for home Ownership
- Proper documentation for pets
- Additional documentation as necessary
- Signatures of all applicants

## **Taking the Application**

MBM Personnel are to inform all applicants that MBM does not process applications on a “first come, first served” basis and to clarify that, while the property is available for rent,

- MBM accepts all applications unless another application has been processed and previously accepted.
- Personnel are to advise all applicants that MBM Personnel may not be immediately aware that other MBM Personnel have accepted an application for the same rental property.
- Personnel are to provide a receipt for the applicant for the fees and application submitted.
- Personnel are to take the current MBM application fee in a cashier’s check or money order
- Personnel are to submit the application immediately to the Property Manager for processing.

## **Incomplete Applications Requirements**

If necessary, MBM Personnel are to notify all applicants when all screening is complete or if more information is necessary.

- Personnel should advise the applicant of the “approximate time expected” for processing the application, but advise that it can take longer if further documentation is required, or information is difficult to obtain.
- Personnel should advise all applicants that MBM does not process any application without signatures due to credit reporting laws and screening company requirements.
- Personnel should advise the applicant if further documentation is required.

## **Processing of Applications**

MBM begins all processing of applications as quickly as possible.

- MBM processes all applications processed in a timely manner in number of days if MBM receives all information from the applicant.
- If MBM requires more information, Personnel are to notify the applicant immediately.
- It is Personnel’s responsibility to follow up with the applicant if they do not receive the information.
- It is Personnel’s responsibility to notify Management if there are difficulties and assistance required.
- When the application is completed, Management reviews the application.
- Management denies or approves the application.

## Acceptance or Denial of Application

When the application is completed, MBM notifies the tenants of the processing results.

- Notifying an applicant of denial; it is Personnel's responsibility to contact the tenant:
  - Verbally by telephone
  - Follow up with a written confirmation

### ***T15 Deny Application***

- Notifying an applicant of acceptance
  - If the application is accepted, it is Personnel's responsibility to contact the applicant and relay the acceptance.

### ***T14 Accept Application***

## Requirements of Acceptance

Personnel are to complete the following steps when accepting applications.

- Require the necessary funds from the applicant in a cashier's check or money order within one business day.
- Require the applicant to sign a completion of renting form.

### ***T17 Completion of Renting***

- Require the applicant to take possession within number of days or weeks from date of availability.
- Supply the approved applicant with MBM welcome packet.
- Set up an immediate date with the applicant to sign all necessary documents.
- Set up a move-in date for the property.

## TENANT MOVE-IN

### Preparation for Move-in

It is important to complete the following details to ensure a smooth and thorough move-in for the tenants and to provide owners with competent management.

- The following documents are to be prepared as necessary.
  - Rental/lease agreement, **T21**
  - Pet addendum, **T26**
  - Lead base paint disclosure, **T25**
  - Mold addendum, **T28**
  - Check-in sheet, **T24**
  - Maintenance instructions, **T23**
  - Inventory and Condition Form
  - Any necessary Homeowner Rules & Regulations
    - The tenant is to sign acknowledgement of receipt of these Rules and Regulations, *this is in the rental/lease agreement*

- The following materials are to be prepared:
  - Any keys necessary
  - Any garage doors or gate openers necessary
  - Any mailing of documents that are necessary - Personnel are to complete this in a timely manner.
- Personnel are to complete the following maintenance:
  - Monitor any necessary maintenance required prior to renting the property.
  - Complete maintenance in a timely manner
  - Re-key locks after work is completed and before tenant moves in
- Personnel are to complete the following notifications as needed.
  - If there are difficulties with maintenance and/or it could prevent the property from renting in a timely manner, MBM Personnel are to notify Management immediately.
  - When appropriate, notify the Owner of any problem preventing the property from renting.
  - Personnel are to notify any appropriate utilities.
- Personnel are to complete the following regarding advertising:
  - Review all advertising on property
  - Cancel all appropriate advertising

## Completion of Leasing/Rental Agreements

Personnel are to complete all rental documents as required and signed prior to the tenant occupying the property.

- Licensed Personnel are to sign tenants on rental documents as quickly as possible.
- Licensed Personnel are to obtain signatures of all applicants 18 and over, and/or emancipated minors who are required on documents.
- Personnel are to obtain proper identification at time of signing of documents.

## Funds Required

Obtaining proper funds is a high priority and Personnel are to complete the following.

- Notify Management immediately if there is a problem with any funds for an approved applicant.
- Obtain all funds, in cashier's check or money order, as quickly as possible.
- Obtain funds, paid in full, prior to possession.
- Do not allow possession until ALL funds are collected and all agreements signed with all signatures required.

## Walk-through of Property

Company policy is to complete a walk-through of the property and with the tenants whenever possible. Property Managers and/or Assistant Property Managers are to complete the following.

- Walk-through
  - Complete walk-through appointment by the day the rent begins unless there are other arrangements.
  - Complete the walk-through with tenants and Personnel.
- Keys and openers during walk-through
  - Disburse keys and openers upon completion of the above items.
  - Signs/lockboxes
  - Remove signs and lockboxes by commencement of lease.

## Maintenance

Personnel are to complete any necessary maintenance by commencement of lease.

- Note new maintenance items or previous maintenance items not completed during walk-through and order as soon as possible, unless Owner authorization is required.
- If vendors cannot complete maintenance, Personnel are to notify Management and/or the Property Manager immediately.

## Follow-up after Tenant Move-in

Company policy is to check all details of the move-in and complete any necessary actions required. Then after the tenant moves in, Personnel are to review the same process to ensure that everything is finished.

- Review for last time all advertising and cancel if appropriate.
- Documentation is reviewed by the Broker/Manager in accordance with Texas Real Estate Commission
- File documentation appropriately.
- Prepare and send letter to tenant

### ***T38 Welcome Letter***

- Prepare and send letter to owner

### ***L13 Property Rented***

- Discontinue any unnecessary utilities and request closing bills
- Review maintenance as necessary and complete in a timely manner
- Notify Management if any difficulties are noted.

## TENANT NOTICES

### 3-Day Notice to Pay or Quit, T118

- Pay or Quit Policy
  - A **3** Day to Pay or quit notice is served when a tenant does not pay rent in a timely manner.
  - The notice requires a tenant to pay within **3** of business days (weekends not included) or vacate the property.
- Authorization
  - Only by authorization or direction from Management is **3** Day Pay or Quit notice served.
- Service
  - **3** Day Pay or Quit notices are served by personal service at the property. Tape on door if no one answers.
  - Persons acceptable for receiving the notice are:
    - The tenants listed on the rental/lease agreement
    - A person of suitable age
  - Mailing and posting
    - If MBM cannot serve the tenant, MBM completes a mailing and posting to the property.
    - MBM policy is to mail to the property for all **3** Day notices.
    - A licensed real estate agent is not required to serve **3** Day Pay or Quit notice.



- Records
  - MBM policy is to place a signed copy of the **3** Pay or quit notice in the property/tenant file.
  - Bookkeeping is to keep an accurate record of any rent transactions and to notify Management of any outstanding funds or problems with payments received.
- Action
  - If the tenant does not pay the required amount within the required time, the Property Manager consults the owner.
  - If authorized, (Company Initials) initiates an unlawful detainer through an attorney.

### **3-Day Pay for Charges Notice, T 81**

- Policy
  - MBM serves **3** Day Pay for Charges notice to collect charges for all other funds such as late fees, utility payments due, or any other monies due from the tenant.
  - MBM serves **3** Day Pay for Charges due from the tenant on a separate form than the **3** Day Pay or Quit for rent.
- Authorization:
  - A **3** Day Pay for Charges is only to be served with authorization or direction of Management
- Service:
  - **3** Day Pay for Charges notices are served by personal service at either the property or the tenant's place of work or business
  - Persons acceptable for receiving the notice are:
    - The tenants listed on the rental/lease agreement
    - A person of suitable age
  - Mailing and posting
    - If MBM cannot serve the tenant, MBM completes a mailing and posting to the property.
    - MBM policy is to mail to the property for all **3** Day notices.
    - A licensed real estate agent is not required to serve **3** Day Pay for Charges.
- Records:
  - MBM keeps a record for all charges and monies due from the tenant.
  - MBM keeps a copy of the notice in the property/tenant file.
- Action:
  - If the tenant does not comply, the Property Manager will consult with the owner and take action as necessary.

### 3-Day Notice Breach of Covenant, T119

- Policy
  - MBM serves a **3 Day Breach of Covenant** agreement when a tenant violates their rental agreement and refuses to correct the violation.
  - Examples of use for the **3 Day Breach of Covenant** are listed below, but are not limited to the following:
    - Lack of landscape care or watering
    - Noise abuse or public disturbance
    - Unsightly or unauthorized vehicles
    - Violation of homeowner association rules
- Authorization:
  - A **3 Day Breach of Covenant** is only to be served with authorization or direction from Management
- Service:
  - **3 Day Breach of Covenant** is served by personal service at either the property or the tenant's place of work or business
  - Persons acceptable for receiving the notice are:
    - The tenants listed on the rental/lease agreement
    - A person of suitable age
  - Mailing and posting
    - If MBM cannot serve the tenant, MBM completes a mailing and posting to the property.
    - MBM policy is to mail to the property for all **3 Day** notices.
    - A licensed real estate agent is not required to serve **3 Day Breach of Covenant**.
- Records
  - (Company Initials) puts a copy of the notice in the property/tenant file.
  - (Company Initials) files any actions or results of the notice in the property/tenant file.
- Action
  - If the tenant does not comply, the Property Manager will consult with the owner and take action as necessary.

### 3-Day to Vacate to Tenant, T85

- Policy
  - MBM issues a **3 Day to Vacate** to a tenant requesting they completely vacate the property by the end of the 3<sup>rd</sup> Day period.
  - MBM cannot serve a **3 Day to Vacate** for the following reasons:
    - MBM cannot serve **3 Day Notice to Vacate** under discriminating circumstances.
    - MBM cannot serve **3 Day Notice to Vacate** to a tenant on a lease, unless it is more than 30 days prior to the termination of the lease.

- Authorization:
  - A **3 Day to Vacate** is only to be served with authorization or direction of Management
  - To issue a **3 Day to Vacate**, there must be an authorization by the Owner of the property, or MBM must have a current written authorization from an Owner.
- Service:
  - **3 Day Notice to Vacate** is served by personal service at either the property or the tenant's place of work or business
  - Persons acceptable for receiving the notice are:
    - The tenants listed on the rental/lease agreement
    - A person of suitable age
  - Mailing and posting
    - If MBM cannot serve the tenant, MBM completes a mailing and posting to the property.
    - MBM policy is to mail to the property for all **3 Day** notices.
    - A licensed real estate agent is not required to serve **3 Day Notice to Vacate**.
- Records:
  - A copy of the notice is properly filed in the tenant/property file
  - MBM keeps a record for all charges and monies due from the tenant during the remaining time of tenancy.
- Authorization to verify tenancy
  - It is MBM policy not to verify tenancy requested by other parties, unless a tenant has authorized information given to future property owners.
- Action
  - If the tenant does not comply, the Property Manager will consult with the Owner and take action as necessary.

### **3-Day to Vacate From Tenant, Eligible to Give Notice, T87 & T86**

- Definition
  - A **3 Day to Vacate** from the tenant is for their intention to vacate the property entirely by the end of 3 Days.
  - This notice is applicable for tenants who are on a month-to-month tenancy.
  - If the tenant is under an existing lease, the tenant is not eligible to give a Notice to Vacate until 60 of days prior to the end of the lease.

- Personnel responsibility
  - Check the tenant's lease when MBM receives the **3 Day to Vacate** from the tenant prior to their acceptance of the notice.
  - If MBM receives the notice in the mail and it is determined that the tenant is not eligible to give a notice, MBM Personnel are to bring this immediately to the attention of Management.
  - Upon receipt of an eligible **3 Day Notice to Vacate** from the tenant, the following is required:
  - The Property Manager sends a letter to the Owner of the property, informing them of the pending vacancy and procedures.

***L14 Notice from Tenant***

  - The Property Manager sends a letter to the tenant informing them of their obligations during the remaining time of the notice, and instructing them on procedures for moving out of the property.

***T92 Move out Instructions***

  - If appropriate, Personnel are to market the property immediately for re-renting. (Refer to Preparation of Property under Property Preparation)- Authorization to verify tenancy
  - It is MBM policy not to verify tenancy to other parties unless a tenant authorized MBM to give information to future property owners.

***T88 Release Rental History***

### **3-Day to Vacate From Tenant, Ineligible to Give Notice**

- Definition
  - A tenant can always give a **30 Day to Vacate**, but they are still obligated to the lease, until the terms of the lease have been satisfied.
  - The tenant is responsibility for the commission of the new tenant at 100% of the ret. (re-letting fee).
  - If unit gets rented before the end of the lease the manager will walk through the property and will submit the deductions from the deposit. There may be a refund of rent if this happens during the middle of the month.
- Personnel responsibility
  - MBM Personnel are to bring the **30 Day to Vacate** immediately to the attention of Management.
  - The Property Manager is to call the owner of the property, unless deemed unnecessary by MBM Principal.
  - MBM is to send a letter to the Owner informing them of the pending vacancy, procedures, and obligations of the tenant.
  - MBM is to send a letter to the tenant informing them of their obligations to the lease and the procedures to follow for vacating.
  - If appropriate, MBM proceeds with marketing the property for re-renting. (Please refer to Preparation of Property)

- Authorization to verify tenancy
  - It is MBM policy not to verify tenancy requested by other parties unless a tenant has given their authorization to allow MBM to give information to future property owners.

### **#-Day to Change Terms of Tenancy, T51**

This notice is to change terms other than rent for a month-to-month tenancy or 30 days prior to the termination of a lease. **T51 Change Terms**

- Examples
  - Rent increase
  - Change in who pays utilities
  - Change in vehicle restrictions
  - Change in landscape care
- Notification
  - Regular mail
  - Posting the property
- Authorization
  - MBM serves a notice to increase rent with authorization or direction from Management.
  - The property owners must authorize the notice to increase rent Records:
- Filing
  - MBM keeps a record of all charges and monies due from the tenant.
  - MBM keeps a copy of the rent increase in the property/tenant file.

### **#-Hour Notice to Enter Dwelling, T94**

MBM posts **24** Hour Notice to Enter a Dwelling on the resident's door **24** hours prior to entering the property or unit.

- The reasons for posting this notice under **Texas** law are:
  - Alterations or improvements
  - To supply necessary or agreed upon services
  - To show the property to prospective or actual buyers
  - To show the property to potential tenants
  - To show the rental unit to workman or contractors for estimates
  - To institute necessary repairs
  - To carry out a court order
  - To inspect water-filled furniture
  - To test a smoke detector
  - To verify if resident has abandoned the premises
  - To allow entry by an appraiser or home inspector for purpose of a sale or refinancing of the property

- Authorization:
  - MBM Personnel must obtain authorization to serve **24** Hour Notice to Enter the Dwelling from the MBM Principal, a licensed MBM property manager and/or Property Owner.
  - Personnel must consult the Principal and/or the Property Manager.
- Records:
  - MBM files a copy of the signed Notice to Enter the Dwelling in the property/tenant file.

### **Notice of Belief of Abandonment, T83**

MBM may choose to execute a Notice of Belief of Abandonment to determine if there is possible abandonment, but only at the direction of Management.

- Policy
  - MBM serves a Notice of Belief of Abandonment if believed that the current tenant has abandoned the property and if it is not possible to determine if the property has been vacated of all possessions of the tenants and the tenants themselves.
  - MBM must post the notice on the property with the required **3** of days determined by **Texas** Law.
- Authorization:
  - MBM Personnel must obtain authorization to serve a Notice of Belief of Abandonment from Management.
- Records:
  - MBM keeps a copy of the signed Belief of Abandonment notice in the property/tenant file.

## **POLICIES DURING TENANCY**

### **Funds**

The following are company policies for collection of property management funds.

- Rental due dates
  - All rents are due on the **3<sup>rd</sup>** of each month, unless specifically designated otherwise in the tenants' lease/rental agreement, or by another specific agreement authorized by Management.
  - MBM Personnel are to be specific of these requirements when quoting this to a tenant.
  - Tenants can pay on-line 24/7 so there is no reason for the rent being late.

- MBM accepts rental payments by:
  - By ACH (Automated Clearing House)/direct deposit
  - By mail
    - At MBM office during normal business hours, Monday through Friday

### **Acceptable Forms of Rent**

MBM personal check policy for rent is as follows.

- MBM can deny personal checks at any time after a tenant has supplied a non-sufficient check to MBM
- Personal checks are not accepted if the tenant has established a record of bad payments
  - Money order
  - Cashier's check
  - Travelers checks

### **Unacceptable Forms of Rent**

MBM policy is not to accept the following monetary forms for rent.

- Cash
- Coins
- Rolls of coins

### **Personnel Responsibilities for Rent Collection**

It is the responsibility of MBM personnel to accept rents correctly and to observe the following:

- When received, the rent is to be procedures for rent received.
- If Personnel note any discrepancy in rent payment and bring it to the attention of Management immediately.

### **Red Flags and Rent**

Personnel should watch for the following "red flags" regarding rent:

- A tenant who is not allowed to pay by personal check
- Omission of check signature
- Incorrect amount of rent
- Payment by person(s) not listed on the rental agreement

- Resident manager responsibilities for rent collection:
  - Resident managers do rental payments.
  - Resident managers are required to direct the tenant to the proper address where they can pay or mail their rent.
  - Resident Managers are to bring in rent receipts to MBM by **5th**
  - Resident Managers are to be aware of “red flags” regarding rent as noted in the previous section.

## Late Rents Policies

Rents must be received by the **3rd** of the month in MBM office, to not to be considered late, unless otherwise outlined or stated in the tenant’s specific rental agreement.

- On the date of the month, the rent is late unless the date falls on the weekend or a holiday.
- Tenants paying rent after the date of the month may be required to pay with a cashier’s check or money order.
- Late rents can initiate a **3 Day Pay or Quit** notice. (Refer to Notices).
- Additionally, late rent can initiate a **3 day Notice to Quit**. (Refer to Notices).

## Communication of Late Rents

If a tenant calls in to report their intention of paying a late rent, Personnel are to refer the tenant to Management.

- If Management is not available, Personnel are to request from the tenant the following:
  - Home, work, and mobile phone numbers
  - The reason for late rent payment
  - Date the tenant intends to pay the rent
  - The amount of the late fee
- Personnel are to instruct the tenant to do the following.
  - Write a letter to MBM indicating why the rent is late, when tenant will pay the rent, and any other pertinent information.
  - MBM Personnel are not to give approval of the late rental payment, but inform the tenant that they will forward their notice of late payment to the Principal or Property Manager for a decision.

## Late fees

- Late fee policy
    - If the rent is late, per the tenant rental/lease agreement, MBM assesses a late fee on the date listed in the agreement.
    - Bookkeeping is to send a notice of the late fee in a timely manner.
- T42 Late Fee***
- Failure to pay late fees can initiate a **3 Day Pay or Quite** notice. (Refer to Notice section of this manual).



- Recognized funds for late fees
  - Cashier's check
  - Money order
  - Travelers check
- Unacceptable funds for late fees
  - Personal check
  - Coins/cash
- Personnel responsibilities regarding late fees
  - Personnel are all required to request late fees from tenant, and to notify (Company Initials) Management of unpaid late fees.
  - The bookkeeping department is to keep an accurate record of late fees.
  - Personnel are to refer all inquiries regarding late rents, breaking leases, and **3** Day notices to the Management.

### **Non-sufficient funds**

- Non-sufficient funds policy
  - All MBM Personnel are to be responsible for reporting any non-sufficient funds payments to bookkeeping and Management immediately, and to alert all Personnel to the situation.
  - Bookkeeping is to make necessary entries in the trust account for this discrepancy. (Refer to MBM bookkeeping manual).
  - MBM Personnel are to notify the tenant immediately when MBM receives a non-sufficient funds check
  - MBM Personnel are to notify the tenant immediately of the procedure for replacement and the payment deadline.
  - MBM Personnel are to notify the tenant immediately that the tenant is to reimburse the non-sufficient funds payment in full within **2** business day, with a cashier's check or money order.

#### **T43**

- Non-sufficient funds checks will not be re-deposited and Personnel are to inform the tenant of this policy immediately.
- Failure to replace the non-sufficient funds check can initiate **3** Day Pay or Quit, or possibly a **3** Day Notice to Vacate. (Refer to Notices, next section of this manual).
- A \$ **35.00** fee is required for all non-sufficient funds checks.
- MBM requires all non-sufficient fund fees paid with a cashiers' check or money order.

## **Addition of Tenants during Rental/Lease Agreement**

- Company policy
  - MBM must approve all persons of legal age and minors in a property
  - The rental agreement must list all persons living in the property.
- Responsibility of MBM Personnel
  - All MBM Personnel are to be aware, and notify Management if they suspect anyone who is living in the residence, and not listed on the rental/lease agreement.

## **Conditions for Adding a Tenant**

A current tenant wants to add another tenant or minor resident.

- Requirements
  - The prospective tenant, 18 or over and/or an emancipated minor, is required to fill out an application immediately or submit information on a minor who is a prospective tenant.
  - The application is to be processed.
  - The applicant must submit all documentation for approval to Management.
- Acceptance of application:
  - The Property Manager notifies the applicant verbally and in writing.
  - The Owner should be notified of any appropriate action in writing and/or verbally.
  - All appropriate paperwork should be completed and filed when action is resolved.
- Denial of application:
  - The Property Manager notifies the applicant verbally and in writing.
  - The Owner should be notified of any appropriate action in writing and/or verbally.
  - All appropriate paperwork should be completed and filed when action is resolved.

## **Requirements to Add a Minor:**

Current tenants must supply the following information to MBM

- The authorized tenants must show legal guardianship.
- Management is to review the information.
- The Property Manager notifies the tenants of the decision and resolution if MBM denies the minor residency in the property.

## **Deletions of Tenants**

The following are reasons for deletion of a tenant from the rental/lease agreement:

- One party gives a notice to vacate with other tenants remaining.
- The tenants abandon the property.
- A tenant dies.

## Partial Notice to Vacate

This is notice received from one or more tenants, but not all tenants in the property.

- Responsibilities of vacating tenant are as follows:
  - The vacating tenant must give a written **30 Day to Vacate**
  - In all cases, the vacating tenant must settle their ownership in the security deposit with the remaining tenants.
- MBM procedures
  - MBM will not refund any portion of the security deposit to the vacating tenants.
  - It must be determined if the tenant is on a month-to-month tenancy or a lease agreement
  - MBM notifies the property owner of the vacating tenant unless Management decides it is not necessary.
  - MBM review the current income, employment status and, any other criteria needed to determine if they qualify to remain in the property.
  - MBM sends a letter to all tenants in the residence notifying them of outcome of the review.
  - MBM does not disburse the security deposit until all tenants vacate.
- Course of action
  - If the current resident does not qualify, Management determines a course of action.

## Tenant Death in Property

- Determination of death
  - If the cause of death was because of natural causes, MBM is not required to future.
  - If the cause of death was of a violent nature, such as murder, MBM must notify future tenants.
- Procedure
  - MBM Personnel are to consult MBM principal and/or Property Manager prior to giving out any information on the cause of a tenant's death.
  - The property owner is be notified of the tenant's death.
- If there are no remaining tenants, the following must be determined and the proper paperwork executed:
  - MBM is to obtain a death certificate for the file.
  - MBM contacts the heirs and/or executor of the deceased tenant for the disposal of the personal property of the deceased tenant.
  - MBM contacts the heirs and/or executor to settle the disposition of the security deposit.

- If there are remaining tenants, the current tenants must complete the following:
  - It is to be determined if the remaining tenants are able to support the rents and property.
  - The tenants must submit a legal death certificate
  - MBM Personnel contact the heirs and/or executor regarding disposal of the personal property and security deposit of the deceased tenant.
  - Rent is to continue until the property all tenants vacate the property or meet the conditions of the lease.
  - It is the discretion of MBM and/or the Owner of the property whether an attorney is required for the disposition of personal property and/or the security deposit.

### **Abandonment of Property by Tenants**

MBM serves a Notice to Enter Dwelling with authorization or direction from Management.

- If MBM believes a property abandoned, MBM serves a Notice of Abandonment with **3** of days waiting period.
- If it is determined that all tenants removed their possessions and vacated the property, MBM management will consult with the Owner of the property to receive authorization to take possession of the property.
- Personnel must immediately notify Management if they believe a property abandoned.
- If MBM takes possessions, MBM follows the preparations for placing it on the rental market, if appropriate.
- MBM files a copy of the signed Notice of Abandonment and any other records in the property/tenant file.

### **Pet Policies during Tenancy**

- Legal pets
  - It is MBM policy that tenants must have prior approval to have a pet, and must supply the appropriate documentation and additional security deposit to add a pet.
  - The tenants must sign a pet agreement.
  - All additional funds for a pet are an “increase in deposit” and are not a “pet deposit.”
- Addition of legal pet
  - Tenants must put in a written request for a pet.
  - MBM reviews the type and breed of the pet and all documentation on the pet.
  - Management will determine if the addition of a pet is possible, and if necessary, will consult the Owner/landlord of the property.

- If MBM denies the addition of a pet, the following procedure is required:
  - The Property Manager notifies the tenant that the pet is not acceptable, verbally and in writing.
  - If necessary, MBM is to follow up to determine if the tenant has illegally procured a pet and has placed it in the property.
- If MBM approves the addition of a pet, the following procedure is required of the tenant:
  - Sign the appropriate paperwork
  - Pay the increased deposit for the pet.

### **Removal of a Legal Pet**

If the tenant reports a pet is no longer in the property:

- Personnel are required to file proper documentation, but are not to change the rental/lease agreement.
- Instead, MBM Personnel file notes regarding the removal of the pet in the property/tenant file.
- It is MBM policy not to return any portion of the security deposit due to the removal of the pet prior to vacancy of the property by all tenants.

### **Replacement of a Legal Pet**

- Tenants are to submit the information on the pet to MBM and reviewed as outlined in “addition of a pet.”
- A survey of the property is to be completed.
- A new pet agreement is to be completed.
- MBM puts the tenant on notice that the property owner may require another security deposit increase.
- All paperwork received regarding the replacement pet filed in the property/tenant file.

### **Illegal Pets**

If it is determined that a tenant has procured an illegal pet, the following procedures are to be completed:

- Personnel are to notify the tenant the pet is a violation of their rental/lease agreement.
- The Property Manager will then determine if the pet can remain by following the procedures as outlined in “To add a pet” previously outlined under the “legal pet” section.
- The Property Manager will follow all procedures until the pet issue is satisfied.
- Personnel are to fill all correspondence, notes, and notices regarding the illegal pet in the property/tenant file.

### **Violent Pets**

If there are reports that there is a violent pet in the property, MBM notifies Tenants and Owners immediately. MBM works on the solution and removal of the pet.

- The tenant is issued a Violent Pet letter

### ***T54 Remove Violent Pet***

## Maintenance during Tenancy

- MBM office maintenance procedures
  - MBM tracks maintenance through written work orders. (Refer to Maintenance under General Office Policies.)
  - All MBM Personnel are required to take maintenance work orders from tenants and to follow up as necessary.
  - MBM Personnel are to notify Management if there are difficulties arising with a tenant regarding maintenance and to document them appropriately.
- Tenant requirements on maintenance
  - MBM specifically requires in the rental/lease agreement that tenants report maintenance needed.
  - If MBM acquires a tenant with a rental agreement not prepared by MBM notifies the new tenant a new rental/lease agreement is required.
  - MBM specifically requires that tenants not do maintenance on the property other than routine maintenance (i.e., replacement of light bulbs, watering of property, normal insect control, etc.) unless the work is authorized by MBM according to their lease.

## Mold Issues

MBM considers mold issues of the highest priority.

- The Property Manager acknowledges the tenant's report of mold and investigates immediately with licensed contractor's who are authorized to determine types of molds and treatments.

### ***T64 Mold Letter to Tenant***

- The Property Manager notifies the owner immediately of any mold problems.

### ***L17 – Mold Letter to Tenant***

- The Property Manager works with the owner to solve all mold issues equitably and as expediently as possible.

## Lead-based Paint Issues

MBM considers lead-based paint issues of the highest priority as well and follows all requirements by the EPA regards lead-based paint in residential homes.

- When repairs are necessary involving lead-based paint, MBM uses only licensed contractors who are qualified to work on lead-based paint repairs.
- The Property Manager notifies both tenants and owners of lead-based paint issues according to EPA guidelines. MBM provides tenants with the required pamphlet, "Lead-based Paint in Your Home," which was provided when they moved into the property as well.

### ***T55 Pending for Lead-based Paint to Tenants***

### ***L22 – Lead-based Paint Letter to Owner***

## **Pest Control during Vacancy**

Pest control issues are on a case-by-case basis. Therefore, some pest control will be an owner responsibility and some may be tenant responsibility. Here are basic policies on pest control.

- If the pest control paint endangers the health and welfare of a tenant, MBM will take immediate action to handle the pest control problem.
- MBM will notify owners of any pest control problem that endangers the health and welfare of a tenant.
- Tenants are encouraged to perform preventative pest control, such as keeping all food cleaned up, watching that pet food does not attract pests, and more.
- MBM will immediately investigate any bed bug report from a resident and only use vendors that are qualified to eradicate pests.
- Personnel are to create a work order for any resident report of pests and report any pest control issues to Management.

## **Tenant Correspondence during Tenancy**

Management are to be notified of any tenant requests during their tenancy

- Personnel are to be responsible toward the filing of any tenant correspondence in the appropriate file in the event of any difficulties or legal problems.
- Tenant Correspondence Policy
  - MBM keeps all original tenant correspondence in the property/tenant file.
  - Personnel are to make a “working copy.”
  - Personnel are to make notes only on the “working copy” and never on the original correspondence.

## **Tenant Email**

- MBM encourages all tenants to communicate through the buildium system.
- Personnel are to handle email correspondence as outlined in the previous section on Tenant Correspondence.
- Tenant email addresses are to be kept in confidentiality and not distributed to parties outside of MBM

## **Tenant Problems/Complaints during Tenancy**

All MBM Personnel are to notify Management of any “possible” or “existing” tenant problems. It is important to handle tenant problems or complaints as quickly and as expediently as possible.

- Definition of “tenant problem and/or complaint”:
  - One that disrupts the support and care of the property, conflict with other tenants, conflict with the Owner, or conflict with MBM
  - Examples are as follows:
    - Non-payment of rent or fees
    - Illegal residents or pets
    - Lack of care of the property
    - Destruction of the residence
    - Disturbing other tenants or the neighborhood
    - Illegal activity
    - Creating disturbances in MBM office
  
- MBM company procedure
  - Identify the problem
  - Review Forms Book for appropriate form
  - Investigate the problem
  - Notify the Owner accordingly
  - Notify the tenant accordingly
  - Determine a course of action
  - Follow up on the course of action
  - Employ legal services as necessary and/or authorized
  - Follow all local, city, county, state, and federal laws
  - Seek resolution and ending to the problem
  - File all notations and documentation regarding the problem/complaint in the appropriate files

## Key Policies during Tenancy

MBM policy on keys to all properties is to take all precautions with keys and Personnel are to observe the following procedures.

- Keep all keys identifiable by a code and not by the residence address.
- Re-key when re-renting a property.
- MBM does not give keys to vendors, agents, property owners, or any other party without the approval of Management.
- Never give out the last key to a property or unit, entry, or gate.
- Keep a duplicate of a key for each residence in the event of an emergency.
- Supply an additional key to resident for **\$20.00**
- Tenant must show appropriate ID to obtain additional key.
- Keys and Vendors
  - MBM discourages tenants giving keys to the vendors.
  - MBM policy requires vendors to make an appointment with the tenant so that the vendor does not have a key to the residence.
  - Tenants must supply a key to the vendor if they want work completed while they are not in the residence.
  - MBM will not take responsibility or accept any liability if a tenant decides to give a key to a vendor.



- Keys and Sales Agents
  - MBM does not give out keys to managed properties, while occupied to Sales Agents, listing or selling.
  - If an agent wants a key or lockbox on the property while it is up for sale, it is the responsibility of the agent to obtain the key from the tenant.

### **Property Is For Sale during Tenancy**

The following are policies that all Personnel are to observe when a property is for sale during a tenancy.

- Keys
  - MBM does not give out keys to listing or selling agents of the property (See previous section) unless vacant and authorized by owner.
  - MBM does act on behalf of the marketing of the property for the Owner and or/agent of the property. MBM Agents can List and Sell.
- Showings
  - MBM does set up appointments for showings of the property.
  - MBM does set up appointments for pest control services, home inspectors, appraisers or other parties involved in a prospective sale or pending sale of a rental property.
  - MBM refers these parties directly to the agent or Owner of the property.
- Maintenance
  - Unless otherwise agreed upon with the Owner/landlord, MBM does not perform rehabilitative maintenance.
  - MBM continues normal maintenance as necessary while renting the property.

### **Tenant References for Renting**

The reference policy is that MBM does not give out tenant references for purposes of renting, unless a tenant has given a **60-Day** Notice to vacate in writing and provided authorization in writing to release rental information.

### **Tenant References during Eviction**

MBM does not give out tenant references if a current tenant is in the process of eviction, unless under the advice of the MBM attorney.

### **Tenant References for Institutions**

MBM does not give out tenant references to other parties (i.e., lending institutions, furniture companies, etc.) unless authorized by the tenant in writing.

## **Subpoenaed Tenant References**

- MBM will give out information regarding tenants when required by a court-ordered subpoena.

## **Personnel Responsibilities to Reference Calls**

MBM Personnel are to forward all reference requests to Management or the Property Manager.

- Unless specifically authorized, Personnel are not to give out tenant references.

## **Owner Information for Tenants**

MBM notifies all tenants on their rental agreement of the name of the Owner and that MBM is the agent for the Owner.

- It is MBM policy not to give out personal addresses or telephone numbers of Owners because they have hired MBM to act as their agent. (Company Initials) will give the name of the Owner, the source of public record, and the prevailing County of the property, if asked.
- Personnel responsibilities regarding Owner information
- Personnel are to follow this policy and are not to give out the addresses and telephone numbers of the Owner/landlord.
- Personnel are to notify Management of the tenant request for information from the Owner.
- At the direction of Manager and/or Property Manager, Personnel are to forward the tenant request for information to the Owner.

## **Credit Reporting During Tenancy**

MBM policy notifies all tenants when renting of the required wording regarding credit reports on their rental agreement when they rent:

- MBM policy further notifies all tenants when serving notices of the same credit-reporting requirement.
- Required wording
  - CREDIT REPORTING: The tenant understands and acknowledges that if the tenants fail to fulfill the terms of their obligations within this document, MBM can submit a negative credit report reflecting the tenant's credit to a credit-reporting agency.
- Initiation of credit reporting
  - If a tenant's default on their obligations, MBM policy may initiate this action.
  - This action is to be at the direction of Management and/or the Owner.

## Cable/Satellite/TV Request

Tenants can add cable/satellite/TV as long as they comply with the Cable/Satellite/TV Agreement.

- Tenants are responsible for the cost of installation and the Landlord and/or Landlord's agent will not reimburse you at any time.
- When the company completes the installation, there is to be no damage to the property. If there is damage, tenants are responsible for the cost of repairs and/or maintenance.
- If a satellite dish or antenna, tenants must call us for approval of the location prior to installation.
- If the company installing the tenant's request requires written authorization, they are to submit their documentation to our office.
- When tenants leave the property, they must give proper notice to the service company to disconnect the services and pay all charges for disconnection and any amount due.
- Any damage incurred upon disconnection will be at tenant expense.

### *T67 – Cable/Satellite/TV Agreement*

## TENANT MOVE-OUT PROCEDURE

### Notice from Tenant

The following is MBM policy on move-out when there is a Notice from the Tenant

- A **60** Day to Vacate is required from the tenant in writing.
- Verbal notices are not accepted.
- Personnel are to be careful not to imply that a verbal notice is acceptable.
- The day MBM receives the notice in MBM office or E-mail is the day the notice begins.
- Tenants can obtain a form in MBM office for giving a notice or email MBM using Manager.MBMProperties@gmail.com
- The following is procedure upon receiving a **60** Day to Vacate.
  - Write the date on the **60** Day to vacate when received.
  - Pull the tenant file and put it on the desk the Property Manager, with the 60 Day to Vacate attached to it.
  - MBM send an appropriate letter to the Owner regarding the **60** Day to Vacate.
  - MBM sends an appropriate letter to the tenant concerning the **60** Day to Vacate, giving instructions of what to do when vacating.
  - The property is to be put on the re-rent list
  - MBM schedules a walk-through with the tenant on an appropriate date.
  - If the tenant is not going to schedule a walk-through, the tenant must arrange to deliver keys to MBM on vacating.

## Notice to Tenant

The following is policy on move-out when MBM gives a Notice to the Tenant

- Management directs the Notice to Tenant.
- MBM gives a **60** Day to vacate the tenant in writing according to the state requirements.
- The day MBM delivers the notice to the Tenant is the day the notice begins.
- MBM procedure upon receiving notice:
  - Write the date on the Day to vacate when received.
  - Pull the tenant file and put it on the desk of MBM Principal, or Property Manager, with the Day to Vacate attached to it.
  - MBM send an appropriate letter to the Owner regarding the **60** Day to Vacate.
  - MBM sends an appropriate letter to the tenant concerning the **60** Day to Vacate, giving instructions of what to do when vacating.
- Management directs if the property is to be put on the re-rent list
- MBM schedules a walk-through with the tenant on an appropriate date.
- If the tenant is not going to schedule a walk-through, the tenant must arrange to deliver keys to MBM on vacating.

## Vacating Of Property/Unit

- MBM Personnel are to note the date the tenant turns in the keys in the property/tenant file.
- If the tenant comes into MBM office to return keys, Personnel are to request a forwarding address and forwarded to bookkeeping and the Property Manager, as well as placed in the property/tenant file.
- MBM is to perform the move-out inspection and estimates on move-out charges.
- The Property Manager is to forward the estimates on move-out charges to bookkeeping.

## Maintenance upon Vacancy:

- The maintenance needed is to be determined at the move-out inspection.
- The Property Manager is to notify the property owner of any necessary maintenance to re-rent the property.
- Personnel are to schedule maintenance in a timely manner, and the property is to be prepared for new tenancy or termination of property.
- Personnel and vendors are to secure the property when leaving vacant property or unit.

## Security Deposit of Vacating Tenant

The disposition of the security deposit is prepared and issued within **30** days as required by Texas State law and Texas Property Code.

- MBM Personnel discuss any major damages with the property owner.
- Bills are to be collected for disbursement of the security deposit statement.
- If necessary, MBM uses estimates for deductions from security deposits until receiving the bills.
- If the vacating tenant owes money for rent and/or damages, it is to show on the security deposit transmittal, and a letter of request is to be prepared with the transmittal.
- Bookkeeping makes three copies of the deposit accounting sheet distributed as follows:
  - One copy sent to tenant
  - One filed in the Owner file
  - One filed in the Property/Tenant file
- If money is due vacating tenant, bookkeeping is to prepare the check for signature and give it to the Property Manager.
- The Property Manager approves and an authorized party signs the check.
- The Property Manager mails the funds to the former tenant with an explanation of funds and/or damages.

## Security deposit disputes

If there is any notification of a dispute regarding the vacating tenant, MBM implements the following procedures.

- Management requires Personnel to notify them immediately of any security deposit dispute.
- All security deposit disputes are to be handled in a very timely manner by Management
- The Property Manager consults property owners on security disputes as necessary.
- The Property Manager works to achieve resolution of the security deposit complaint as quickly as possible.
- MBM and/or the Owner will consult with legal counsel as deemed necessary.

# EMERGENCY PROCEDURES FOR TENANTS

## Emergency Policies

MBM Personnel are to be cognizant of any emergency conditions such as fire, flood, freezing, or any other condition that may affect the welfare of the tenant, and/or the Owner's property.

- Personnel are to inform Management and/or the Property Manager of any possible emergency.
- Evaluate the emergency and plan response
- Management and/or the Property Manager will evaluate the emergency.
- Management and/or the Property Manager will supervise necessary actions appropriate for the emergency and contact the owner when practical.

## Tenant Procedures

MBM policy is to assist Tenants whenever possible during emergencies, but recognizes that it cannot control many problems created with emergencies and advises Tenants to do the following.

- MBM advises Tenants to prepare for emergency in the Tenant Handbook.
- MBM advises Tenants that MBM may not be able to perform maintenance due to emergency conditions.
- MBM advises Tenants that the MBM office may close during emergencies.
- MBM advise Tenants to report only necessary emergency repairs during and emergency/disaster.

## Follow-up on emergency procedures

All MBM Personnel are responsible for follow-up of any maintenance, correspondence, and handling of funds regarding any emergency plan.

- MBM consults with the Owner regarding all maintenance and all maintenance decisions over the Owner Limit are at the authorization of the owner.
- MBM will advise tenants if an insurance claim is pending and may delay repairs.
- MBM will work to complete all maintenance in a diligent manner.

## **APPENDIX A**

- A1 - Policy and Procedures Acknowledgement Form**
- A2 - Personnel Information Form**
- A3 - Office Key/Alarm Form**
- A4 - Personnel Change of Information Form**
- A5 - Personnel Confidentiality Agreement**
- A6 - Disclosure Authorization**
- A7 - Supply Request**
- A8 - Office Policy Change**
- A9 - Internet/Email Agreement**
- A10 - Year End Checklist**
- A11 - Hands-free Cellular Agreement**



MBM Property Management LLC

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## **MBM Property management Policy and Procedures Manual Acknowledgement**

I, the undersigned, have received a copy of MBM *Policy and Procedures Manual* dated **May 2015**.

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Management Signature