

PERFORMANCE DEPOSIT POLICY

We required a performance deposit on all rentals. The performance deposit is held in a Trust Account and is used to cover any damage or other non-performance of lease terms by the tenants or their guests.

Amount Required:

We normally require **at least** a deposit equal to the amount of one-month's rent.

Example: If a rental unit rents for \$500 per month then the lease amount of performance deposit required will be \$500.

We may charge up to two (2) times the monthly rental amount for a performance deposit depending on an applicant's background as revealed in the background check.

Applicants who pay a higher damage deposits include those applicants who:

1. Have bad credit or a history of paying financial obligations late.
2. Have criminal convictions including misdemeanor alcohol related infractions.
3. Have been in their current job less than a year.
4. Have not established a good rental history.
5. Have as their sole income amounts not subject to attachment by the courts
ie. Social Security, SSI, or other government program income not subject to attachment by the courts.

When deposit required to be paid:

In the majority of cases the performance deposit **must be paid, in full**, when the lease is signed.

On a case by case basis we allow partial payments only when:

1. We are requiring a 2 month rent amount and the tenant pays the first month's amount in full at lease signing. The tenant may be allowed to make monthly payments on the remaining amounts.

Example: The required damage deposit is \$1000 (two times the monthly rental amount). We sometimes allow a tenant to pay \$500 at lease signing and the remaining amount in monthly payments.
2. The tenant is participating in a rental assistance program (HUD, SECTION 8, etc) which assists in paying the monthly rental amount AND the tenant has a co-signer on the lease who will guarantee payment.

