



Dave Poletti & Associates Presents

The Seattle Landlord Report

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Turning Down the Application

Why is it one of the first words we learn to say quickly is “no?” Then, why is it so hard for people to accept when someone says “no?” Whether an owner finds it difficult or not, there are times to say “no” to a prospective tenant.

Most property owners or managers rent to applicants based on credit, income, and rental history. This usually provides a solid foundation on which to approve or deny an applicant. However, many owners are not aware of the many “land mines” there can be when denying an application. Complying with Fair Housing is the primary reason to be on concrete footing when denying an application.

Here is an example of discriminatory practice. Mr. Jones met two different couples, Mr. and Mrs. Hanson and Mr. and Mrs. Smyth, at his property on two separate occasions on the same day. He had the usual application with him and distributed it to both parties; both couples were Caucasian and in their mid thirties. However, Mr. Jones, without even looking at the facts, liked the Smyth couple better. He offered them a reduction in the security deposit that he did not offer to the other party and allowed a small

dog when he had informed Mrs. Hanson that he would not accept any animals at any time.

Both parties put in applications and Mr. Jones selected the Smyth application without even contacting their landlords, verifying income, or checking credit on Mr. and Mrs. Smith. The Hanson couple learned of the reduced security deposit and that Mr. Jones did not check any references on Mr. and Mrs. Smyth. However, he had obtained the Hanson credit report, which did not reflect any negative problems. They promptly took Mr. Jones to court and won a large settlement because he did not treat each applicant equally.

Knowing “what discrimination is and what is not” is often difficult for owners. The Fair Housing laws do cover a vast area, but no property owner is required to rent to applicants with pets, to those who are abusive, and to someone who has poor credit, lack of income, or bad tenant history. However, Fair Housing means that you do not have “separate rules for separate parties.”

Fear often contributes to a landlord making a bad decision. Property owners can be afraid to say no because of a long vacancy and they

are losing a lot of money. They can be afraid just to face an angry applicant and therefore are willing to accept someone because they intimidate them. Fear of retaliation is another factor in today’s world when people do not always get what they want and can become violent.

The right documentation gives power to the reasons for saying no and reducing the fears. Ms. Stone had declared that her credit was impeccable and was quite forceful about renting the property immediately, *willing to pay any rental price*. Mr. Morse was able to say no because the credit report on Ms. Stone contained a long list of unpaid bills, collections, and two previous evictions. Ms. Stone had counted on Mr. Morse to simply “just rent” to her, but when Mr. Morse

(Continued on page 2)

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(Continued from page 1)

actually ran the credit report, she had no choice but to accept his decision.

Realizing the benefits of saying “no” can make it easier deny the applicant when it is necessary. Learning that someone has bad credit means the probability is high that the rental payments will be a problem. Contacting an owner and finding out that they took poor care of the property can save having to spend a lot of money on future maintenance and rehabilitation. If the applicant is pushy or aggressive, denying their application can mean avoiding future confrontations and unreasonable demands. If an owner has to say no, it helps to look at the entire picture.

Denying an applicant is never easy. As your property management company, we know that at times it is necessary to say no, based on sound criteria, to *“Protect Your Investment.”*

