



# **PROPERTY OWNERS MANUAL**

## **WELCOME TO RENTERS PLACE**

We're excited that you have chosen Renters Place to manage your rental property. The purpose of this manual is to provide our property owners with an overview of the procedures, services and benefits of Renters Place. We believe that when owners have a better understanding of the management process and costs involved, then we are better able to manage your assets. Our clients are treated as partners. The advantage is customer-focused, benefits driven and risk management solutions perfectly aligned with each client's needs. We want to achieve the highest return for our owners. **We are committed to working together toward our mutual goal of a great owner experience.**

## **OFFICE**

### **Tulsa Office:**

7170 S Braden Ave #140, Tulsa, OK 74136  
Office Hours: Monday-Friday 8:30am-5:30pm  
Phone: 918-728-8080 option #2  
Email: tenants@rentersplace.com

### **Oklahoma City Office:**

1000 NW 139<sup>th</sup> Parkway, Edmond, OK 73013  
Phone: 918-728-8080 option #2  
Email: tenants@rentersplace.com

Managing Partners own and operate Renters Place, Insurance Management Group and Realis Fund Management

## ***Company Policy***

It is very important that professional property managers follow local, state and federal legislation and guidelines. Our company takes pride in our industry and we further implement guidelines and policies to maintain the standards of organizations we are governed and/or belong:

- Oklahoma Real Estate Commission
- Code of Ethics outlined by NARPM
- Fair Housing (HUD)
- Equal Opportunity
- FCRA
- EPA
- URLTA – Uniform Residential Landlord Tenant Act
- Oklahoma Landlord Tenant Act
- Lead based paint guidelines
- Mold Remediation guidelines
- RP has a drug free policy for all personnel, vendors and tenants.

## ***LEASING***

Our leasing department has ONE singular focus - leasing vacancies. All of our leasing agents are licensed and have years of experience. The primary functions of the leasing department are as follows:

- Determine rent amount: strategic approach using software analysis
- Coordinate Marketing & Advertising: over 20+ different websites
- Property Showings: prequalify, self showing and in person
- Tenant Qualifications: see below
- Execute Lease Signing & Deposits: see below

## ***Tenant Qualifications***

Qualifying a tenant is one of the most important aspects of leasing our properties. Below are the things we do in the tenant qualification process:

- National credit-reporting provider to obtain a prospects criminal and credit histories. (Credit reports cannot be shared with owners due to the Fair Credit Reporting Act)
- Check References
- Criminal Background Checks
- National and State sex offender registries
- Verify employment and proof of income
- Prior evictions
- Rental history
- Telephone Interview
- Tenant Assessment
- **We have a 15-Point Tenant Screening Process**

### ***Execute Lease***

We use a template lease that is simple for our tenants to understand. The lease has been tested nationwide and reviewed locally by a real estate attorney. The process usually takes 24- 48 hours and the tenant is NOT allowed to move-in until new locks are installed, lease is signed, deposit collected, move-in inspection signed by the tenant and audio confirmation is completed.

### ***Deposits***

All of our security deposits are managed in accordance with federal real estate laws and regulations. We stay in compliance with state and federal mandates on how deposits are handled. The security deposit belongs to the tenant while the tenant is a resident in your property or until forfeited in accordance with the law. Renters Place holds security deposits in escrow or trust account in compliance with the law and remains in this account until the final inspection is completed after the tenant vacates the property. We have 30 days to return applicable deposit monies to the tenant. These steps ensure compliance with local laws and protect our owners from higher repair costs and potential future legal issues.

## **MAINTENANCE**

Our pro-active approach is designed to minimize costs to our owners. We have designated staff to discover pre-existing or emerging problems and to help insure tenant safety. Our large volume of properties and relationships allow us to have some of the lowest costs in the industry. We save our owners time and headaches by setting maximum amounts for repairs and the owner will approve repairs over the maximum limit. Regarding maintenance, our goal is to minimize costs for our owners and maintain curb appeal, which yields the highest rent, attracts the best tenants and allows for fewer problems. Our pro-active approach includes:

- Move-In Inspections
- Move-out inspections
- Coordinate property repair
- On-Going periodic inspections
- Maximum repair limit - owner approval
- Spring/Fall HVAC tune up and inspection (clean and check for emissions and filters)

***We want to keep tenants happy and one way of keeping them happy and paying on time is to ensure the property is in good working order and respond quickly to repair requests.***

### ***Budgeting for Maintenance***

There are multiple ways to budget for maintenance. Some use 2% of property value. \$100,000 property X 2%= \$2,000 in reserve. We will help you determine what is the easiest and most cost effective strategy. Regardless of strategy, the most important aspect is to have a budget. It is part of being in business as a property owner. ***Note: RP requires a minimum maintenance reserve of \$300 per property. This is held in escrow and will be collected at the time property is brought on-line. This will be billed to the owner on the first month. Funds will be used only for maintenance issues. If funds are used, the amount used will be billed to owner the next month to keep balance equal to \$300.***

### ***Financial Risk***

Maintenance is one of the most common areas of risk exposure. By signing a rental agreement, a warranty of habitability is implied and required by law. This means that we are promising that your property is suitable to live in. One of the reasons you have chosen Renters Place is to help protect you from financial risk. Renters Place policy is that all legal violations (cited or not cited) must be corrected – NO exceptions. ***Refusing to fund repairs may be grounds for termination of the management agreement, as Renters Place must comply with state and federal laws governing Tenant & Landlord Law.*** Another area of risk is in the performance or workmanship of repairs and maintenance. RP pre-qualifies contractors and only uses contractors who are licensed when required, certified as necessary and carry the proper insurance. Preference is given to vendors who have a history of quality work, safety and timeliness. We will use our staff or contractors for every repair necessary unless arrangements are made prior to repair. It is vital that you respond quickly for maintenance approval if repair exceeds the maximum repair limit.

### ***Inspections***

Initial Inspections is performed after the Management Agreement is signed. The purpose of the inspection is to ensure that there are no visible issues that represent a problem to the tenant or that may develop into a problem in the future. Any issues found are shared with the owner and a plan is established to correct them. Priority is given to habitability and legal concerns. Move-In Inspections are done with the new tenant. Pictures and or video are taken and checklists are filled out so visual and documented records are in place prior to tenant moving in the property. Periodic Inspections occur throughout the year to ensure the property remains in good order. Any repairs recommended, small or large will be sent to the owner for approval. Move-Out Inspections are performed when a tenant vacates the property. Pictures are taken and checklists are filled out to establish a repair plan and to reference for security deposit returns.

### ***Emergency Repairs***

Emergencies are relative, however we have established certain criteria that constitutes emergencies. These include but are not limited to:

- No heat during winter months or air conditioning during summer months
- Loss of power
- Loss of water
- Flooding
- Legal notices from housing or city inspectors
- Security issues
- Clogged toilets
- Damage from break-in or from natural disaster
- Liability issues

## **ACCOUNTING & ADMINISTRATION**

Our staff genuinely cares about our owners and tenants. Their primary responsibility is to be the first contact of service and provide superior customer service. Our staff handles:

- Rent Collection – collected on the first of every month
- Evictions & Postings – initiated on the 6<sup>th</sup> of every month
- Tenant Relations – establish relationship and handle any issues
- Coordination with other departments –scheduling work orders and leasing appointments
- Accounting – daily records and deposits
- Owner Relations – Owner draws are paid on the 20<sup>th</sup> of every month

### **Financial Statements**

Owners enjoy having access to their financial statements at their convenience. These statements are useful in making projections as well as providing documentation for tax purposes. All these statements can be found on our Owners portal.

### **Owners Portal**

One of the favorite benefits of our owners is the comprehensive online portal. Your email is your user ID and assigned a password through the set-up process. Includes easy access to:

- Monthly Statements
- Lease Agreements
- Maintenance Records
- Owner Draw
- 1099

### **Monthly Statements**

Monthly statements are available on your portal, typically by the 22nd of each month. They provide a quick way to understand how and when rent was applied. There are four general areas where rent money is applied:

- Management Fee – deducted from rent received in accordance with the Management Agreement
- Maintenance Expenses – are itemized and deducted from the rent received in accordance of the Management Agreement
- Other Expenses – such as utility payments or expenses that you have asked Renters Place to submit on your behalf are itemized and deducted
- Owner Draw – the amount paid to you after expenses are deducted

### **Year-End 1099**

An IRS 1099 Form is sent to you within 30 days of the end of the calendar year. This form is for your tax records and filing for the previous year. You will also receive a statement encompassing the entire year.

## **Accounting**

We reduce the use of paper to enhance efficiency, so invoices are not mailed from our office. Your monthly statement serves as your invoice for management fees and any work performed can be downloaded from the portal at your convenience. We use two of the largest software systems in the industry and have a regular bookkeeper on staff for our accounting processes. RP holds owners accounts in a trust fund mandated by the State of Oklahoma. This account follows the Real Estate Commissions requirements and does not commingle funds with broker monies.

## **TENANT RELATIONS**

Tenants are the backbone of success of your property. Our model depends on stable, paying tenants. Properties are not just rentals, they are someone's home and we treat them as such. All tenants, including tenants already in place, receive a Resident Manual explaining our process, contact information for our office and departments, review of lease and tenant obligations. One of the special touches RP offers our tenants is a welcome gift when they first move into their home *at our expense and not the owners*.

### **Tenant Obligations**

- Maintain the property
- Notify RP of any issues or damages
- Maintain general liability insurance
- Timely payments
- Late Fees/Rent not received

### **Pets**

A large percentage of renters have pets. The benefits of allowing pets increase the pool of potential residents however the downside is that pets increase wear and tear. It is legal to refuse to rent to tenants with pets except for pets prescribed by a physician to address a medical condition or pets that serve as service animals. The number of these prescribed cases is increasing every year. It is also legal to define the maximum size or type of pet that is acceptable in the property. Renters Place has put criteria in place for pets and have also implemented a pet insurance plan. Contact our office for details. State laws vary in regard to the type of deposit or rent charged if a resident has a pet.

## **OWNER RELATIONS**

We value our owners and are passionate about their investment. Our office is always available to answer any questions.

### **Owner Expectations**

- Proper Communication
- Maintain property in a condition that is marketable and habitable
- Maintenance Budget
- Notify RP with any issues or questions
- Notify RP of any ownership change
- Review statements monthly
- Support Fair Housing Laws and guidelines
- Maintain a current insurance on the property with RP as additional insured
- Treat RP personnel with courtesy and respect

## **Communications**

Communication is key in our business. We are not perfect but we care tremendously. If you have a concern, please do not hesitate to contact us immediately. We will do our best to over communicate with our owners. Direct communication between owner and tenant is strongly discouraged. We cannot effectively do the job you hired us to do if you are communicating directly with tenants. We want to ease your mind from the concerns and time that arise from being a landlord. Tenants may interpret your communications as further contractual obligations that may cause the owner to incur legal liability. Keeping the proper lines of communication between Renters Place and the tenant, the potential for ambiguity can be eliminated.

## **Owner Documents**

- Management Agreement
- Owner information
- Electronic banking authorization
- W-9
- Eviction Program form
- Owner property disclosure/disclaimer statement
- Change of owner information
- Owner work order authorization
- Owner vacation notice-notify Company if you will be unavailable for more than two weeks in the event of an emergency
- Property Insurance certificate – non compliance may result in RP holding rental income from Owner until proper insurance is received

## **Rent Disbursement / Owner Draw**

Disbursements to owners are labeled “Owner Draw” on your monthly statement. The timing of when an owner receives their disbursement is directly related to when rent is received at Renters Place. The most common questions by owners typically is:

- Where is my money?
- How did you come up with that amount?
- What if rent is not received and how does that work.

## **When - the Owner Draw is disbursed**

Deposits are made the same business day as the rent check is received. We determine if the renter’s check is cleared and Owner Draws are processed in batches on the 20th of the month, or the following business day if the disbursement lands on a weekend or holiday. Automated Clearing House (ACH) will send the Owner Draw to you. ACH disbursements can take two-three business days to clear through the banking system. ***Please understand that you will not be able to use the tenants rent payment to make your mortgage payment in the same month that the tenant’s payment is received. The rent disbursement cycle is not meant to meet mortgage due date requirements. It is recommended, that you have two (2) months of mortgage payments in reserve in case the current month’s rent payment is not disbursed to you in time for you to pay that month’s mortgage payment.***

## **How - the Owner Draw is calculated**

Monthly rent received *minus* management fee, *minus* maintenance expenses, *minus* other expenses, *minus* minimum balance (maintenance reserve) *equals* Owner Draw. Examples of “other expenses” may include, but not limited to, additional advertising expense, utility bills, emergency maintenance costs, and mortgage payments that some owners request Renters Place pay on their behalf.



### ***What – if Rent is not received***

Tenants are very aware that their rent is due no later than the 1<sup>st</sup> of every month and late fees will be incurred after the 5<sup>th</sup> of the month if rent is not received. While most tenants pay on time, there are some who pay late due to a one-time event or on a recurring basis. Renters Place has a very detailed and systematic approach to rent collection and late or non-payments. These steps include:

1. Email/Phone call to tenant-this usually all that is required to find out why rent is late and to establish a commitment as to when it will be paid.
2. Pay / Eviction Notice-if the late payment of rent is not paid after the 6<sup>th</sup> of the month, we physically post a notice at the property. This is the first step in the Eviction process required by state law.
3. If tenant has not resolved the payment, then the eviction process continues. Please see the Eviction section of the manual.

The tenant in accordance with the lease agreement and state law will incur late fees when rent is not paid after the 5<sup>th</sup> of each month. The late fee will be applied to the tenant's account in the following order:

- Late fees applied
- Remaining balance is applied to the rent past due
- Late fees are \$50 and are administered in accordance with your Management Agreement with Renters Place.

### ***Evictions***

Unfortunately evictions are a reality in the rental industry. It is possible that you may have to experience this process and costs can be significant. Renters Place has put steps into place to ease the burden and increase our eviction success. The best defense against eviction of tenants is a quality selection process, strong maintenance program and responsive management office. We have the expertise and the legal counsel to make the process as expedient as possible. There are 3 general categories of eviction fees you can expect:

- Legal Fees
- Service Fees
- Ready to Rent Expenses

**Legal Fees** Renters Place Properties already has relationships and reasonably priced counsel that specializes in tenant evictions. Legal fees generally begin with the attorney drafting a Pay or Quit Eviction Notice and continue through the final judgment by the Judge. This notice informs the tenant that he or she violated the lease and needs to pay the balance due and correct any violations or surrender possession and return the keys. If the tenant does not comply, then the case is filed with the appropriate court and a hearing date may be set. Following the initial legal proceedings, the tenant is generally provided a time to move prior to a lock out.

**Service Fees** These include the costs of the initial process server to serve the summons and compliant, Sheriff's Deputy, and the moving company.

## **Make Ready to Rent Expenses**

These costs are associated with the cleaning, maintenance or repairs commonly left by the tenant. The evicted tenant is responsible for these repairs, however if these monies cannot be collected immediately, we will need to repair the property to livable order to get the property rented as soon as possible. Several factors dictate on how long the process takes. State laws, avoidance of summons and tenant contesting the eviction. All things considered the process can average anywhere from 3 to 8 weeks on average.

## ***Subsidized Housing (Section 8)***

The housing program is the federal government program assisting low-income families, elderly and the disabled to afford decent, safe and sanitary housing in the private market. Families are issued a housing voucher where they are responsible for finding a suitable housing unit of their choice where the **owner agrees to rent under the program**. This unit may include the family's present residence and must meet minimum standards of health and safety, determined by the OHA. The OHA on behalf of the family pays the subsidy directly to the landlord. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Once OHA approves an eligible family's housing unit, the family and the landlord sign the lease and, at the same time, the landlord and the OHA sign a housing assistance payment contract that runs the same term as the lease. This means that everyone (tenant, landlord and OHA) has obligations and responsibilities under the program. Tenant obligations include a one year lease, security deposit to the landlord and comply with the lease and the program requirements, pay its share of rent on time, maintain the unit in good working condition and notify OHA of any changes in income or family composition. Landlord obligations are to provide decent, safe and sanitary housing to a tenant at a reasonable rent. The unit/property must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and contract signed with the OHA. Although working within the subsidized housing program entails more front-end work, we will work with owners who select to work with the OHA and the program. Renters Place is well versed in subsidized housing programs and the regulations it entails.

## ***Complaints***

RP is locally owned and operated and pride ourselves in service. RP is not perfect but we do our very best to communicate and work with honesty and integrity. If you have any issues please contact us immediately. Issues cannot be resolved if we don't know about it. RP will do our very best to work towards a solution, communicate and if necessary make systemic changes to prevent the issue from reoccurring. Feedback is always welcomed to improve our business. Here are the steps to follow if you have a concern:

- Contact our office via email or phone call
- We will ask questions so that we fully understand the issue
- We will take a reasonable amount of time to evaluate the issue
- Our response will clarify the issue, provide options on how to resolve the issue, get your understanding and agree and work on a plan of action that will resolve the issue

### ***Termination***

Renters Place Properties understands that circumstance arise for Owners which might lead them in another direction. RP has a great track record with our owners and are very confident in the services and benefits we provide. Our management agreement provides that a 60 days written notice be provided by either party to terminate services. If this happens, RP's termination policy is to resolve your account in a professional, timely manner. Steps for cancellation:

- Written notice with signature by postal mail, fax or scanned document via email
- Owners responsibility to advise tenants of change and information on payments and work requests
- Security deposits, keys, tenant information and other necessary documents will be forwarded to owner within 30 days.

## Summary of Owner Charges

### Flat Rate Management Fees

Starter Plan*	\$49 per unit/month
Pro Plan*	\$89 per unit/month
Premium Plan*	\$149 per unit/month
Leasing Fee**	\$400 per unit
Lease Renewal**	\$200 per unit
Maintenance Reserve	\$300 per unit
HVAC Preventative Maintenance Inspection*	\$125 per unit 2X year
Early Termination Fee	\$300
Landlord Exit Fee	\$100
Tenant Purchase	3% of sales price
Non-Tenant Purchase	\$500
Stop Payment Fee	\$40
Re-Issue Check Fee	\$40

\* Charged when vacant and when occupied

\*\* Charged when executed and collected

### Outside Normal Scope of Service Fees

Below are services that do not fall into the normal scope of management fees. These situations arise from time to time, in which Renters Place will be more than happy to accommodate. Depending on the circumstance Renters Place may charge the following:

Oversee Owner's Hired Vendor	\$75 set up + 10% cost of job
Extra Inspection Fee	\$75 per hour
Home Warranty Service Call Fee	\$75 per hour
HOA Service/Dispute Fee	\$75 per hour
Meet Owner at Property	\$75 per hour
Negotiation & Coordination	\$75 per hour
Court Appearance	\$75 per hour
Supervision of Renovations	10% of cost renovation
Owner Foreclosure Charge	\$75 per hour
Extra Marketing/Advertising Fee	\$75 plus cost of service

## **CONCLUSION**

We truly appreciate the opportunity to serve you and we hope that our “Owners Manual” will help you understand property management in general and specifically the services and processes at Renters Place. It is our privilege to be your property management professionals and look forward to a long relationship.

Thank you!

## **PRIVACY STATEMENT**

We take our owners and tenants financial privacy very seriously. During the course of processing our agreements, non-public information is accumulated and we restrict access to this information to those employees who need to have the information to provide products and services to clients. We do not disclose non-public information we collect except as necessary to obtain the requested information or as allowed by law.

## **DISCLAIMER**

***The Owners Manual is used for a basic understanding of services and benefits. It should be used as a reference only and should not be construed as a legal interpretation of the Management Agreement. The Management Agreement governs the relationship between Owner and Renters Place.***

ANY DISSEMINATION, COPYING OR USE OF THIS INFORMATION BY OR TO ANYONE OTHER THE DESIGNATED AND INTENDED RECIPIENT (S) IS UNAUTHORIZED.

## Oklahoma Real Estate Commission Property Owners and Tenants – “You Need to Know!”

The following is important information that may be helpful to you as an Owner/Landlord (“Owner”) or as a Tenant.

**Protect Your Interest** – An Owner or Tenant should carefully read all agreements to assure that they adequately express their understanding of the transaction. If legal or tax advice is needed, they should consult an attorney.

**Laws & Regulations – Real Estate Commission regulations pertaining to discrimination in fair housing:** A licensee shall not advertise personally, or through any media, to sell, buy, exchange, rent, or lease Property when the advertisement is directed at or referred to, persons of a particular race, color, age, creed, religion, national origin, familial status or handicap. The contents of any advertisement should remain in the confines of information relative to the Property itself, and any advertisement directed at or referred to persons of any particular race, color, age, creed, religion, national origin, familial status, or handicap is prohibited. Commission statute: Conviction (of a licensee) in a court of competent jurisdiction of having violated any provision of the federal fair housing laws, 42 U.S.C. Section 3601 et seq. is reason for disciplinary action by the Commission.

**Landlord/Tenant Act** – The Landlord and Tenant Act prescribes the rights and duties of the Property Owner and the Tenant. A copy of the Landlord and Tenant Act pamphlet are obtainable through the Oklahoma Real Estate Commission, 1915 North Stiles Avenue, Suite 200, Oklahoma City, OK 73105, by telephone, at 866-521-3389 (toll free) or 405-521-3387 (local). A copy of the Landlord and Tenant Act is available on the Commission’s website at [www.orec.ok.gov](http://www.orec.ok.gov) under Publications.

**Environmental Hazards** – It is the Owner’s responsibility to disclose to a Tenant environmental hazards, if any, of which Owner has knowledge (such as asbestos, lead-based paint, radon gas, or if a methamphetamine lab has ever been on the premises). An information pamphlet on Methamphetamine is available on the Commission’s website at [www.orec.ok.gov](http://www.orec.ok.gov).

**Lead-Based Paint – applies ONLY to properties built before 1978:** The Housing and Urban Development Agency (HUD) and Environmental Protection Agency (EPA) regulations require that the Tenant receive the Owner’s “**Disclosure of Information on Lead-Based Paint and Lead-Based Hazards,**” the EPA booklet entitled “**Protect Your Family from Lead in Your Home,**” and the following warning:

“Every Tenant of a residential dwelling that was built prior to 1978 is notified that such Property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning.

Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Owner of any interest in residential real Property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the Owner’s possession and notify the Tenant of any known lead-based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase.”

The Owner or Tenant can also call the state Department of Environmental Quality (DEQ) at 405-702-6100, or 918-293-1600 (Tulsa) for further information.

The DEQ web site, [www.deq.state.ok.us](http://www.deq.state.ok.us) has a list of lead-based paint inspectors (some of whom also do mold inspections). Publications about environmental issues are located on the federal Environmental Protection Agency’s (EPA) web site at [ww.epa.gov/iaq/pubs/index.html](http://ww.epa.gov/iaq/pubs/index.html) or the Commission’s web site [www.orec.ok.gov](http://www.orec.ok.gov), under Publications.

**Flood** – An Owner or Tenant can obtain written flood zone verification by contacting the U.S. Army Corps of Engineers, Flood Plain Management Services. The customary cost of the verification is approximately \$55.00. The public can also call and make an appointment to visit the Corps of Engineers' office and examine the maps and information. The Corps of Engineers' phone number is (918) 669-7197.

Additional Information: Depending upon city and municipality requirements, an Owner may have additional disclosure requirements to a Tenant. For example, the City of Tulsa requires an Owner of rental Property, any part of which is located in a special flood hazard area as depicted and shown on a Flood Insurance Rate Map adopted by the City, to give written notice to every Tenant of the Property that it is located in a designated special flood hazard area. Further, the Owner must obtain and keep for inspection upon request by the Director of Public Works or his authorized representative written acknowledgement of receipt of this notice signed by each of the Tenants. This notice is given and the acknowledgment obtained prior to a Tenant taking possession of or occupying the real Property. The notice and acknowledgement shall be in a separate document and not a part of any other document, such as a lease.

**Flood Insurance** – If there is a flood risk, the Tenant is responsible for obtaining flood insurance on the Tenant's personal Property. The Tenant should seek advice from an insurance agent.

**Hazard Insurance** – The Owner is responsible for carrying hazard insurance on the dwelling and liability insurance to cover certain types of liability. It is the Tenant's responsibility to carry hazard insurance on Tenant's personal Property. A Tenant may also be required to carry liability insurance to cover Tenant's liability for injury and damages in connection with the Tenant's lease and occupancy of the premises. All explanations, representations and disclosures concerning the terms, conditions, and provisions of a hazard insurance policy are the responsibility of the insurance agent and are not the responsibility of the Broker or the Broker's affiliated licensees.

### **Psychologically Impacted Property & Megan's Law (Title 59, O.S. §858-513)**

**Psychologically Impacted Property** – Psychologically impacted Property is any Property where certain circumstances, or suspicions or facts may create emotional or psychological disturbance or concerns to a Tenant. Following are the procedures that a licensee must follow if a Tenant desires to inquire regarding psychological factors regarding a Property:

1. The Tenant must be in the process of entering into a bona fide lease on the Property.
2. The licensee must receive a request in writing from the Tenant.
3. The written request from the Tenant must state that this factor is important to the decision of the Tenant to lease the Property.
4. The licensee shall make inquiry of the Owner by submitting the written request to the Owner.
5. With the consent of the Owner, the licensee will furnish the Owner's response to the Tenant.
6. If the Owner refuses to furnish the information requested, Owner's licensee shall so advise the Tenant.
7. If the Tenant is requesting information concerning Acquired Immune Deficiency Syndrome (AIDS) or any other disease, which falls under the privacy laws, the information is only obtainable in accordance with the Public Health & Safety Statute, Title 63, O.S., 1992, Section 1-502.2A.

**Megan's Law** – Oklahoma enacted a law that requires law enforcement officials to maintain a database of convicted sex offenders. The information is attainable online or by calling local police authorities, [www.familywatchdog.us](http://www.familywatchdog.us), or the Oklahoma State Department of Corrections at 405-425-2500.

## **Brokerage Services and Disclosure (Title 59, O.S. §858-351 – 858-363)**

The following definitions are from the Oklahoma Real Estate Commission's Broker Relationships Statute. For the purpose of this section the term "Broker" includes all real estate licensees affiliated with the Broker. Under the Oklahoma Real Estate License Law, a real estate licensee provides services to an Owner and Tenant as a Broker. Additionally, the Oklahoma Real Estate Commission's administrative rules state that when a Broker provides Brokerage services to a landlord under a Property management agreement, the services provided to the Tenant by the Broker shall not be construed as creating a Broker relationship between the Broker and the Tenant unless otherwise agreed to in writing. However, the Broker owes to the Tenant the duties of honesty and exercising reasonable skill and care.

### **Definitions:**

**Broker** means a real estate Broker, an associated Broker associate, sales associate or provisional sales associate authorized by a real estate Broker to provide Brokerage Services.

**Brokerage Services** means those services provided by a Broker to a party in a transaction.

**Party** means a person who is a seller, buyer, property owner, or Tenant or a person who is involved in an option or exchange.

### **Broker duties and responsibilities**

A Broker shall have the following duties to all parties in a transaction, which are mandatory and may not be abrogated or waived by a Broker:

1. Treat all parties with honesty and exercise reasonable skill and care;
2. Unless specifically waived in writing by a party to the transaction:
  - a. receive all written offers and counteroffers,
  - b. reduce offers or counteroffers to a written form upon request of any party to a transaction, and
  - c. present, in a timely manner, all written offers and counteroffers.
3. Timely account for all money and Property received by the Broker;
4. Keep confidential information received from a party or prospective party confidential. The confidential information shall not be disclosed by a firm without the consent of the party disclosing the information, unless consent to the disclosure is granted in writing by the party or prospective party disclosing the information, the disclosure is required by law, or the information is made public, or becomes public as the result of actions from a source other than the firm. The following information shall be considered confidential and shall be the only information considered confidential in a transaction:
  - a. that a party or prospective party is willing to pay more or accept less than what is being offered;
  - b. that a party or prospective party is willing to agree to financing terms that are different from those offered;
  - c. the motivating factors of the party or prospective party purchasing, selling, leasing, optioning, or exchanging the Property; and
  - d. information specifically designated as confidential by a party unless the information is public.
5. Disclose information pertaining to the Property as required by the Residential

Property Condition Disclosure Act; and

6. Comply with all requirements of The Oklahoma Real Estate License Code and all applicable statutes and rules.

A Broker shall have the following duties and responsibilities only to a party for whom the Broker is providing Brokerage services in a transaction which are mandatory and may not be abrogated or waived by a Broker:

1. Inform the party in writing when an offer is made that the party will be expected to pay certain costs, Brokerage service costs and approximate amount of the costs; and
2. Keep the party informed regarding the transaction.

When working with both parties to a transaction, the duties and responsibilities set forth in this section shall remain in place for both parties.



**Know Your Rights Under the Service members Civil Relief Act** – The “Service members Civil Relief Act” (SCRA) was signed into law in 2003. In reference to receiving permanent change of station (PCS) orders while in a housing lease, the law provides that if the service member deploys to a new location for **90 days** or more, then they have the right to terminate the housing lease by giving proper notice to the Owner/Owner's Broker. The process for giving notice is located in SCRA and service members should become familiar with this law. The complete law is located here:

<http://www.servicememberscivilreliefact.com/link/text-of-act.php>