

RHR Information Services, Inc

SelectRent News

Editor's Note



In the year 2007 we wish you prosperity and success.

We would also like to thank you for your continued support as we strive to provide the best solution in the tenant screening services.

This month we brought you an article about advantages and disadvantages of owning a rental property.

Ever wondered about fingerprinting? Check out these inter-

esting facts on the history of fingerprinting.

What can you do to help avoid inaccurate reports? See the article about proper applicant identification.

Please contact me with any questions, concerns and/or suggestions.

Thank you,

Jana Castilon

Rental property — new investment in 2007?

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There are many tax advantages to owning rental houses, especially tax-free income deductions up to \$25,000 if you earn less than \$100,000 annual adjusted gross income. However, there are a few possible disadvantages.

The primary negative to owning rental houses is called "tenants and toilets."

On the positive side by carefully selecting quality tenants who are likely to pay the rent on time (based on their credit report), the management problem can be minimized. Good-quality house renters often stay many years.

Another possible negative is maintenance. Periodically, house components need repair or replacement. Rental-house owners should have access to quick cash for an emergency, such as a roof replacement. A home equity credit line is the best source because it costs nothing (except a \$50 annual fee) until it is used.

Although owner management of rental houses is recommended, there are professional property management firms available. Before hiring such a firm, investors should obtain client references.

Most professional property man-

agement firms charge fees of 10 to 15 percent of the gross rental income for houses. They often charge additional fees for supervising repairs and for renting vacancies. The best firms provide monthly computer printouts to owners showing rent collections and expense payments, along with a monthly check to the owner.

Excerpt from article in Chicago Tribune 12/06

RHR Information Services is here to help you screen prospective tenants by offering you a wide variety of tenant screening services and specially tailored packages for your type of investment. Please do not hesitate to call with any questions or concerns. 888-389-4023 or

Rent Wise/Rent Smart Pilot Program

“The project established relationships with landlords willing to rent to graduates of the training program.”



Responsible landlords have, for many years, conducted vigorous screening of rental applications in order to protect themselves, their established tenants and potentially the neighborhood from the actions of irresponsible renters and their guests.

Over time, as more landlords have adopted applicant screening as a standard management tool, and as they have more accurately reported problem tenants when asked, an increasing pool of applicants with poor rental histories has developed (“high-risk tenants”).

Recognizing the difficulty that high-risk tenants have finding rental housing, the 2001 legislature appropriated funds for the Rental Housing Pilot Program (RHPP). MHFA was instructed to issue a request for proposals to initiate one or more pilot programs to provide tenant education and certification for high-risk tenants. The Family Housing Fund and the Greater Minnesota Housing Fund also contributed designated funds to make, respectively, a Metro Area pilot and a Greater Minnesota pilot more viable.

Many state agencies have provided high-risk tenant training, often as a homelessness prevention strategy. But there has been no state-of-the-art, consistent program available in all parts of the state, that utilize a single, well-crafted curriculum.

RHPP has chosen the Rent Smart/Rent Wise curriculum, originally developed by the University of Wisconsin, and adapted by the University of Minnesota, for compliance with Minnesota laws.

The strategy of the RHPP pilots, which commenced July 1, 2002, one involving Dakota, Hennepin and Ramsey counties, and the other in greater Duluth, was to provide structured tenant education, resulting in a certification of completion. Tenant training alone is unlikely to convince a concerned landlord to take a chance on renting to a high-risk tenant. Therefore, it is combined with the pilots that offer incentives and protections to landlords willing to rent to program graduates.

The ultimate goal of each two-year pilot was to evaluate the effectiveness of the approach. MHFA was obligated to report back to the legislature for possible broadening and permanent funding of the program statewide, utilizing multiple providers, along the lines of Home Stretch for home ownership.

The two pilots have been operational since the Summer 2002.

In May 2004, the MHFA board approved extending the U of M metro area pilot until June 30, 2005.

On December 15, 2005, the MHFA board approved extending both the Metro and Greater Minnesota pilot funding, utilizing Agency resources and a grant from the Greater Minnesota Housing Fund for the Duluth pilot. This new funding is intended to maintain the services of peer educators for one more year.

Evaluation:

The project has provided training and case management to renters who cannot find housing due to poor rental histories. The project established relationships with landlords willing to rent to graduates of the training program. Preliminary evaluations of the pilot as published in the State of Minnesota Consolidated Annual Performance and Evaluation Report for Fiscal Year 2006 indicate that training program graduates are more likely to secure and remain in permanent rental housing with positive results for both renters and landlords than other high-risk tenants.

For more information on the pilot program go to http://www.mhfa.state.mn.us/multifamily/RHPP_Program_Info.pdf

The History of Fingerprinting

Fingerprints offer an infallible means of personal identification. That is the essential explanation for their having supplanted other methods of establishing the identities of criminals reluctant to admit previous arrests.

The science of fingerprint Identification stands out among all other forensic sciences for many reasons, including the following:

- Has served all governments worldwide during the past 100 years to provide accurate identification of criminals. No two fingerprints have ever been found alike in many billions of human and automated computer comparisons. Fingerprints are very basis for criminal history at every police agency.
- Established the first forensic professional organization, the International Association for Identification (IAI), in 1915.
- Established the first professional certification program for forensic scientists, the IAI's Certified Latent Print Examiner program (in 1977), issuing certification to those meeting stringent criteria and revoking certification for serious errors such as erroneous identifications.
- Remains the most commonly used forensic evidence worldwide - in most jurisdictions fingerprint examination cases match or outnumber all other forensic examination casework combined.
- Continues to expand as the premier method for identifying persons, with tens of thousands of persons added to fingerprint repositories daily in America alone - far outdistancing similar databases in growth.
- Outperforms DNA and all other human identification systems to identify more murderers, rapists and other serious offenders (fingerprints solve ten times more unknown suspect cases than DNA in most jurisdictions).

The FBI Identification Division was created in 1924, with the receipt of 810,188 fingerprint files, mostly from the Leavenworth Penitentiary. This collection became increasingly important due to the emergence of criminals who regularly crossed state lines.

Currently, the FBI possesses over 250 million sets of fingerprint records. This enormous collection is composed of both criminal and civil prints. The civil file includes the prints of both government employees and applicants for federal jobs.

All standard fingerprint cards are eight-inch square pieces of paper, with a thickness much like that of thin cardboard. At the present time, the FBI receives over 34,000 fingerprint cards each work day.

If all of the fingerprint cards on file with the FBI were piled on top of each other, they would equal one hundred and thirty-three stacks the size of the Empire State Building!

Fingerprints differ from person to person based upon distinctive patterns of ridges. There are seven different finger print patterns used for identification purposes.

Please contact your RHR Information Services Representative for more information on this product.



“Currently, the FBI possesses over 250 million sets of fingerprint records”.

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The Right Path to the Right People

Disclaimer: This newsletter has been developed for informational purposes only for use by the customers of RHR Information Services, Inc., and should not be relied upon as definitively accurate. Due to the complex nature of your business, we strongly suggest that you work closely with legal council when making business related decisions.

Properly Identifying Your Applicants

When you are taking rental applications from your prospective tenants, it is advised that you look at proper identification. This will greatly improve the results of your tenant screening efforts, and result in overall lower costs in managing your property.

So what can be considered proper identification?

You can take a cue from documents required when trying to obtain a driver's license in the state of Minnesota.

- A state driver's license, instruction permit, or state identification card that is current or expired for:
 - five years or less if it has a photo.
 - one year or less if it does not have a photo.

If the applicant does not have one of the items listed above, he must present one primary and one secondary document. The primary document must contain applicant's full name and the month, day, and year of birth. Any document not in English must be accompanied by a qualified English translation.

If the name on the driver's license, identification card, or permit has changed or the names on the primary and the secondary documents do not match, the applicant must also present proof of legal name change(s).

Acceptable proof consists of certified marriage certificates, certified divorce decrees, or other certified court orders. Divorce decrees or other court orders must specify the name change.

The applicant's identity and name change documents need to show a clear link between the primary and the secondary documents.

If the applicant is a temporary United States resident, he may need to show additional proof of lawful admission period, such as a form I-20, DS-2019, I-797, or other official immigration document or receipt.

Compare the spelling on these identification documents with the spelling on your rental application. Also take a close look at both the Social Security number and date of birth on the application.

If these don't match up you are advised to ask the applicant to clarify the information for you.

Tenant screening information provided by RHR Information Services is generated from the input provided.

Improperly spelled names and incorrect Social Security numbers and dates of birth will generate inaccurate reports and will delay the tenant screening process.

By verifying the identification information provided by the applicant, you will have greatly improved your efforts at keeping out problem tenants.

For a detailed list of primary and secondary documents please visit <http://www.dps.state.mn.us>

or contact your RHR Representative
888-389-4023
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