



MBM Property Management LLC

**MBM PROPERTY MANAGEMENT  
OWNERS SECTION  
POLICY AND PROCEDURES MANUAL  
FOR PROPERTY MANAGEMENT**

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▪ MBM Broker/Manager – the person who supervises the Sales Agents and who is also referred to as “Broker/Manager” in this Manual.....	27
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- NAR – National Association of REALTORS®.....29
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- Austin Board &Williamson County Association of REALTORS® .....29
- IRS – Internal Revenue Service .....29
- HUD – Housing & Urban Development .....29
- FHEO – Fair Housing and Equal Opportunity agency .....29
- ADA – Americans with Disabilities Act.....29
- EPA – Environmental Protection Agency or Environmental Protection Act .....29
- RLPHRA – the Residential Lead-Based Paint Reduction Act .....29
- RESPA – Real Estate Settlement & Protection Act .....29
- FIRPTA – Foreign Investment in Property Tax Act.....29
- FTC – Federal Trade Commission .....29
- FACTA – Fair and Accurate Credit Transactions Act.....29
- FCRA – Fair Credit Reporting Act .....29
- FCC – Federal Communications Commission .....29
- FTCA – Federal Trade Commission Act.....29
- TCPA – Telephone Consumer Protection Act .....29
- SCRA – Service Member’s Civil Relief Act .....29
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- FMLA – Family and Medical Leave Act .....29
- FLSA – Fair Labor Standards Act.....29
- ADEA – Age Discrimination in Employment Act .....29
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- A known name in the Austin Metropolitan Area and surrounding cities for quality property management and sales.....30
- The top notch residential management in the Austin Metropolitan Area and surrounding cities.....30

Objectives .....30

- To provide quality services to all persons and clientele associated with MBM .....30
- To provide quality services and support to the community .....30
- To uphold the guidelines of the Texas Real Estate Commission .....30
- To maintain the ethics and standards outlined by the National Association of REALTORS®, NAR®, the National Association. ....30
- To abide by and support Federal Fair Housing.....30
- To uphold the standards of an Equal Opportunity employer .....30
- To follow the National Association of Residential Property Management and National Association of REALTORS® Code of Ethics .....30
- To continually plan, implement, and follow the MBM Long Range Plan.....30
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- To maintain professionalism in listings and sales .....30
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▪ I understand that all the information contained in this manual is confidential and not distributed to clientele, vendors, or the public without permission of Management.	





MBM Property Management LLC

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## **WELCOME TO MBM PROPERTY MANAGEMENT**

MBM Property Management's goal is to provide the best in professional Property Management and service to our clients. We look forward to you being part of the MBM Property Management team.

To assist you in your work for our company, we have prepared this Property Management Policy and Procedures Manual for your information and review. Whether you are new or seasoned personnel, it is important that you read and understand what is contained in this document. It is a requirement of all MBM personnel to read, understand, and acknowledge this document. The (Company Initials) refers to the company MBM Property Management within this manual.

The MBM Property Management Policy and Procedures Manual contain general information for the owner. This will immediately clarify many things about the operation of MBM Property Management, which includes both Real Estate and Property Management. We encourage you to review this material often.

Thank you for taking the time to read this information. We wish you the best in your association with MBM Property Management and look forward to a successful relationship.

# **POLICY & PROCEDURE MANUAL GUIDELINES**

## **Company Reference**

MBM, in this Policy and Procedures Manual, is an abbreviation for the company name, MBM Property Management

## **Non-Static Document**

This Policy and Procedures Manual is subject to revision at any time. MBM continually re-evaluates the contents and then updates any legal requirements or necessary changes in operating procedures.

## Glossary

### Company terms

- MBM – this is an abbreviation for MBM Property Management
- MBM Management – any person who works for MBM Property Management that supervises Personnel/Employees, and is also referred to as “Management” in this Manual
- MBM Broker/Manager – the person who supervises the Sales Agents and who is also referred to as “Broker/Manager” in this Manual
- MBM Personnel – any person who receives compensation from MBM Property Management and can be either an employee or an independent contractor; can be a licensee or non-licensee
- Principal: owner of MBM, Property Management Division
- Broker of Record: licensed real estate agent in Texas who is broker for MBM Real Estate Services, Inc.
- Manager/Supervisor: those who supervise Personnel
- Property Manager: an individual employed by MBM Property Management and holds a Texas Real Estate license
- Property Owner: a person that owns real property, also termed Landlord
- Tenant: any tenant who rents from MBM, both past and present
- PM: refers to Property Management
- MBM Independent Contractor – a Broker Associate or Sales Associate, who holds a real estate license, receives payment in commissions for real estate sales, and is not an employee.
- Sales Agent – an independent contractor, referred to as a Sales Agent or Agent in this manual.
- Listing Agent - an independent contractor, referred to as a Listing Agent in this manual

## Property Management Terminology

- Security deposit: funds received from a tenant and held for any possible damages to a property and/or Owner.
- Rent: funds received for the purpose of daily occupancy of a housing unit
- Late fee: funds charged for late payment of rent
- Non-sufficient funds: when the company receives a check that does not clear due to lack of funds in the account of the payee
- Hard money: funds that requires a cashier's check or money order
- Rental Agreement: a contract that a tenant enters into that can be a month to month tenancy or a lease
- Lease: a set amount time that a tenant commits to rent an owner's property
- Month-to-month: a rental agreement that only has a set period of 30 days and allows both tenants and landlords to give a 30-day notice at any time.

## Relevant Acronyms

There are many “acronyms” or “initials” used in the real estate/property management industry and office employment. This is a list of common acronyms intended to acquaint Personnel with these important agencies, associations, or legislation.

- TREC – Texas Real Estate Commission
- NAR – National Association of REALTORS®
- Texas State Association of REALTORS®
- Austin Board & Williamson County Association of REALTORS®
- IRS – Internal Revenue Service
- HUD – Housing & Urban Development
- FHEO – Fair Housing and Equal Opportunity agency
- ADA – Americans with Disabilities Act
- EPA – Environmental Protection Agency or Environmental Protection Act
- RLPHRA – the Residential Lead-Based Paint Reduction Act
- RESPA – Real Estate Settlement & Protection Act
- FIRPTA – Foreign Investment in Property Tax Act
- FTC – Federal Trade Commission
- FACTA – Fair and Accurate Credit Transactions Act
- FCRA – Fair Credit Reporting Act
- FCC – Federal Communications Commission
- FTCA – Federal Trade Commission Act
- TCPA – Telephone Consumer Protection Act
- SCRA – Service Member’s Civil Relief Act
- EEO – Equal Employment Opportunity
- ECOA – Equal Credit Opportunity Act
- FMLA – Family and Medical Leave Act
- FLSA – Fair Labor Standards Act
- ADEA – Age Discrimination in Employment Act
- USERRA – Uniformed Services Employment and Reemployment Act
- HIPAA – Health Insurance Portability and Accountability Act of 1996
- EPPA – Employee Polygraph Protection Act
- OSHA – Occupational Safety and Health Administration

# COMPANY INFORMATION

## Mission Statement

It is the mission of MBM Property Management to service residential properties within the Austin Metropolitan Area and surrounding cities, in an ethical and moral manner, in accordance with the Texas Real Estate Commission, abiding by the ethics of the National Association of REALTORS®, NAR®.

## Goals

It is MBM Property Management goals to achieve the following.

- A known name in the Austin Metropolitan Area and surrounding cities for quality property management and sales
- The top notch residential management in the Austin Metropolitan Area and surrounding cities.

## Objectives

While achieving their goals, MBM Property Management objectives are to do the following:

- To provide quality services to all persons and clientele associated with MBM
- To provide quality services and support to the community
- To uphold the guidelines of the Texas Real Estate Commission
- To maintain the ethics and standards outlined by the National Association of REALTORS®, NAR®, the National Association.
- To abide by and support Federal Fair Housing
- To uphold the standards of an Equal Opportunity employer
- To follow the National Association of Residential Property Management and National Association of REALTORS® Code of Ethics
- To continually plan, implement, and follow the MBM Long Range Plan
- To continually plan, implement, and follow the MBM Marketing program
- To maintain professionalism in listings and sales
- To associate with, and use, only competent workmen
- To maintain a positive work environment for Personnel
- To encourage Personnel growth and promote education for all Personnel

## Company Specialization

MBM Property Management specializes in property management of single family homes, duplex, tre-plexes, four-plexes and small apartments within the Austin metropolitan area and surrounding cities.

## Legal Identity

MBM Property Management is register with the Secretary of State in Texas as an LLC.

## Commercial Location

MBM Property Management is located at an office 13450 Research Blvd #113, Austin, Texas 78750

## Ownership

**Mary B Miner**, is the sole owner of MBM, and has owned and managed investment property in the Austin Metropolitan Area and surrounding cities since 2006.

## Owner Biography

- Name is a licensed Broker and resident in the State of Name.
  - Name holds memberships in professional organizations including the National Association of REALTORS®, list other organizations
  - For many years has been very active in the list other activities
  - Has received CRS, GRI,E-PRO, GREEN, ABR
  - Holds a Master in Real Estate from Realtor University, Chicago, Ill
  - Has owned and managed investment property in name of area or areas

## Company History

**Mary Miner** founded MBM Property Management in **2006**. MBM has maintained the integrity and commitment that MBM Property Management treats your home like it is our home.

## 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
- Local Agencies
  - Austin Board of Realtors
  - Williamson County Association of Realtors

### Industry Associations

MBM belongs to the following Associations, following their code of ethics, and uses them as a source for education, networking, and information.

- Texas Association of REALTORS®
- Williamson County Association of REALTORS®
- Austin Board of Realtors
- NAR® – National Association of REALTORS®



# COMPANY JOB DESCRIPTIONS

## CEO/President/Chairman

The CEO/President of MBM is the owner of MBM and identified in the “Company Information” section of this manual.

The CEO/President of MBM also holds the position of Broker/Owner of MBM.

- The CEO/President is the ultimate authority in the MBM office.
- The CEO/President oversees Management and delegates various office operations and duties to Personnel.
- The CEO/President is responsible for the
  - MBM Long Range Plan
  - MBM Marketing Plan
  - MBM Financial Plan
  - Community relations

## Broker of Record

The Broker of Record holds the license that supervises (Company Initials) within the guidelines and requirements of the Texas Real Estate Commission.

- The Broker of Record is also the Principal/Owner

## Property Manager

The Property Manager oversees all property management activity and interacts with the property owners, tenants, applicants, vendors, and public. MBM Property Managers interact with, and when directed by Management, can supervise property management Personnel and assistants. Their job description includes, but is not limited to the following:

- Property Managers are required to know and participate in all general procedures of MBM.
- Property Managers are either licensed real estate agents or brokers in the Texas
- All Property Managers are Independent Contractors
- All Property Managers must follow the:
  - Policy and Procedures Manual
  - Bookkeeping Manual
- The Property Manager assists in monitoring the Property Management Trust Fund

## **Assistant Property Manager/Rental Manager**

Rental Managers are responsible for showing property for rent, the procurement of applications when necessary, inspections, property move in/move outs, placement of tenants in properties, delivery of notices, and other property management duties as directed by MBM Property Managers or Management. Their job description includes, but is not limited to the following:

- Rental Managers are required to know and participate in all general procedures of MBM.
- Rental Managers are either licensed real estate agents or brokers in the Texas
- Rental Managers are licensed real estate agents or brokers in the Texas
- All Rental Managers must follow the:
  - Policy and Procedures Manual

## **Maintenance Supervisor**

The maintenance supervisor oversees all necessary work required to maintain properties for the property management inventory, listing, and sales, when directed by Management, and assist with maintenance. Their job description includes, but is not limited to the following:

- The maintenance supervisor reports to the Property Manager.
- The maintenance supervisor is a licensed contractor in the state of Texas
- The maintenance supervisor is an Independent Contractor.

## **Bookkeeper**

The Bookkeeper is responsible for performing bookkeeping functions and maintaining bookkeeping files for MBM as directed by the Broker/Sales Manager and/or Office Manager. Their job description includes, but is not limited to the following:

- The Bookkeeper also assists with general office duties.
- The Bookkeeper is required to follow, but is not limited to:
  - The Policy and Procedures Manual
  - The Bookkeeping Manual
- The Bookkeeper is an Licensed Real Estate Agents and Independent Contractor

## **Sales Agent**

For more information on Sales Agents, consult the Real Estate Policy and Procedures Manual.

- A sales agent is a licensed real estate broker or sales associate in the state of Name.
- A sales agent lists and sells real property for Nextage Lone Star Realty. Mary Miner the Owner of MBM Property Management is also the Owner/Broker of Nextage Lone Star Realty.
- A sales agent is an independent contractor and is not a MBM Employee.

## **Independent Contractor Hiring**

Some of Staff at MBM Property Management are Independent Contractors. They are licensed Real Estate Agents within the state of Texas. They are able to lease as well as manage properties. Leasing Properties are done through Nextage Lone Star Realty.

## 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 8650 Spicewood Springs 145-556  
Austin, TX 78750

### Telephone Numbers

Business 512-791-4240  
Fax 512-719-4240

### 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  
Website MaryMiner.com

## OFFICE POLICIES AND PROCEDURES

### Bookkeeping

MBM assigns the bookkeeping duties on the computer to the appropriate Personnel

- Unless authorized, Personnel are not to access the bookkeeping software program, bookkeeping records, and any areas in the office relating to bookkeeping.

## Funds

MBM does not accept cash or keep cash in the MBM office.

- Property Managers are to forward all tenant and owner funds for deposit in MBM Property management Tenant Account for Rent and Escrow Account for Deposits.
- Property Managers are to keep all funds secure until they can forward the funds to Bookkeeping.
- Resident managers are to forward all tenant funds to the MBM office and must keep all funds secure until they do so.

## Document Policy

Personnel are to keep all MBM documents confidential at all times.

- Personnel are to fax or mail only authorized copies of documents to appropriate parties, which includes, but is not limited to:
  - Clients
  - Tenants
  - Government agencies
- MBM Property Management keeps all management contracts, tenant agreements, real estate purchase agreements, listing agreements, or any other documentation connected to a contract for a minimum of 1 year.

We are required to keep copies of all documents as long as we are managing the property. If no longer managing the property the requirement is 4 years..

- Personnel are to place all documents in the appropriate file.

## Document Storage

MBM stores current documentation in the cloud using Box.net and Buildium. However, due to increasing business documentation and legal retention requirements, MBM stores closed files in a professional storage unit.

- MBM moves closed files to the cloud and back up storage, such as every 6 months or at a specific time of year, etc.
- The documents remain in the cloud or backup, unless
  - It is necessary to retrieve a file containing the documents.
  - It is the appropriate time for documents to be shredded (see upcoming section) after they have passed the required record keeping time.

## Document Shredding

Proper document shredding is a top priority of MBM at all times. Due to the shredding provisions within FACTA, the Fair & Accurate Credit Transactions Act, MBM has enacted the following document shredding policy.

- Personnel are not to destroy MBM documents without the permission of Management.
- MBM maintains a program of shredding documents to protect the confidentiality of MBM clientele.
- Management supervises the shredding program.
- The MBM shredding program includes:
  - Utilization of a professional document shredding company for large amounts of documentation
  - Utilization of an in-house shredding machine for small shredding jobs

## Company Logo/Brand Identity

MBM proudly displays their company logo. MBM diligently works to include the logo on all MBM documentation and marketing whenever possible to create a company “brand identity” to the public and promote professionalism. The following is the MBM logo policy.

- All Personnel must use the “official MBM logo,” and must obtain advance approval of any variations of the logo.
- The logo is available in electronic format.
- If Personnel have questions on the logo use, they are to consult Management.

## Mail and Deliveries

MBM receives mail at 13450 Research Blvd #113, Austin, TX 78750 or 8650 Spicewood Springs 145-556, Austin, TX 78759 Personal Effects

It is the responsibility of all Personnel to care for their own personal effects and MBM discourages all Personnel from bringing in valuables and large amounts of cash.

- All Personnel are responsible for keeping all personal effects out of the view of the public and storing them safely during work hours.
- MBM business insurance does not cover the theft of personal items.
- MBM recommends to Personnel that they carry insurance for their personal effects.

# STANDARDS OF CONDUCT

## Ethics

Ethics are a priority in the Real Estate/Property Management Industry and MBM takes pride in promoting ethical within the company and while interacting with other Real Estate/Property Management offices and clientele.

- All Personnel are required to conduct business ethically and legally.
- All Personnel are required to read and review the National Association of REALTORS® Code of Ethics.

## Property showings

- Property Managers and/or Rental Managers should notify other Personnel, family, and or Management when and where they are showing property.
- MBM encourages all Personnel to carry cellular telephones when showing property, and call the office or emergency services if necessary.
- If concerned about showing an individual a listing, the agent should either cancel the appointment or take another adult to the showing.
- Personnel should watch for any suspicious activity while driving to the property or when showing the property, and notify authorities if necessary.
- Agents should meet potential tenant or owner in a public area or the office for first visit.
- All agents/property managers should take pictures of potential tenant’s driver’s license and leave in office.

# 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.

## **MARKETING**

### **Company Marketing Policy**

MBM policy is that all marketing be ethical, legal, professional, effective, and incorporate the company logo and brand identity policy into all marketing endeavors.

- All marketing must be within the guidelines of all appropriate legislations such as Fair Housing, FIRPTA, RESPA, etc.

### **Company Advertising Policies**

Advertising, in the real estate industry, is subject to very specific requirements as it pertains to certain legislation. Therefore, the MBM marketing policy includes, but is not limited to the following:

- No MBM management advertising is to contain false or misleading statements.
- Advertising must include the company affiliation and, when appropriate, company logo.
- All advertising must identify a broker or agent.
- Fair Housing: no advertising can contain any discriminatory statements or wording of any kind.
- RESPA: no advertising can contain offer incentives, kickbacks, and/or fees.
- FIRPTA: if any advertising contains any information regarding interest rates, it must be in accordance with FIRPTA.

## OVERVIEW OF PROPERTY MANAGEMENT CYCLES

The following is a general cycle of the property management performed by MBM regarding applicants, tenants, owners, vendors, and public. It is important that all Personnel understand the different cycles in the MBM office and how it relates to their position.

- Renting
  - Marketing of property
  - Applications disbursed and received
  - Application is processed
  - Application is accepted or denied
  - If accepted, applicant moves through the application process
  - Rental process, including signing of agreements and tenant move-in
- 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
  - 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

- Owners
  - Marketing of Owner
  - Owner contract is procured
    - Owner account is established
    - Monthly cycle is completed
    - Rents are collected
    - Management fees and invoices are paid
    - Checks are sent to owners on appropriate dates
    - Statements are sent monthly
    - Communication is initiated as required, both verbal and written
    - Follow-up statements are prepared as required
  - Owner account termination
    - Account is terminated by MBM Property Management
    - Account is terminated by Owner
    - All funds, documents, and keys are disbursed according to Management contract
    - File is closed with required documentation and notices
- Vendors
  - Vendor account is established and maintained.
  - MBM contracts maintenance work as needed.
  - Vendors supply bills as they complete work throughout the month.
  - MBM pays bills during the monthly payment cycle.
  - MBM issues vendors the IRS 1099 form, as required by law, by January 31.
  - MBM terminates use of vendor services when necessary

# POLICIES ON PROPERTY MANAGEMENT FUNDS

## Company Trust Account

MBM Property Management maintains a Real Estate Trust Account and considers accurate maintenance of the Trust Account as a top priority of their real estate operation.

Trust account policy

- MBM Property Management maintains a Trust Account as a means to process monies collected during property management transactions and for no other purpose.
  - MBM maintains all funds collected for their Property Management Division in a separate Trust Account.
  - MBM maintains all funds for operations of the brokerage in a separate account, does not co-mingle any MBM Trust Account monies with this account.
- All earnest money deposits are:
    - Recorded on the MBM Trust Account Sales Log, maintained by the MBM bookkeeping department. Software used is Buildium.
    - To designate where to deposit funds - into the MBM Trust Account
    - MBM Trust Account maintenance
    - MBM makes deposits in the Trust Account only for Rental Money or deposits.
    - MBM operates the Trust Account in accordance with the requirements and guidelines of the Texas Real Estate Commission.
    - The MBM Bookkeeper, supervised by the Broker/Manager, maintains the Trust Account.
    - MBM purchased, and maintains, specialized bookkeeping software for maintenance of the Trust Account; MBM allows only authorized Personnel to access this bookkeeping software.
    - The bookkeeping department is required to report any discrepancies to the Broker/Manager immediately.
  - Trust Accounting
    - The Trust Account is balanced monthly and is reviewed by the Broker/Manager
    - The Trust Account does collect interest in accordance with the Texas Real Estate Commission - change according to your state law.

## Cash

MBM has adopted the following policies on cash and they are primarily based on safety for all person involved and that of the MBM office.

- The MBM Office does not accept cash.
- MBM off-site Personnel cannot accept cash
- MBM does not keep petty cash in the MBM office.
- If any Personnel encounter difficulties with cash, they are to notify Management as soon as possible before accepting cash and obtain specific instructions.

## 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 Property Management, 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, cashier's check or On-Line through Buildium Portal
  - 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 calls recorded on written work orders.

- 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 faxed or verbally given a work order number, which must appear on their 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.

## **Maintenance coordination with bookkeeping**

Management requires all invoices for maintenance matched with a work order, and forwarded to bookkeeping for payment.

- Bookkeeping is to notify Management if funds are required for completing payment as soon as possible and with the appropriate amount needed.

# **POLICIES ON KEYS, LOCKBOXES, AND RENTAL SIGNS**

## **Keys**

- 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.

## **Lockboxes**

- MBM distributes combination lockboxes/Supra Lockboxes as necessary for access to a vacant property or occupied property.
- MBM gives the lockbox code to the combination lockbox to Personnel and Vendors.
- Personnel are not to give lockbox codes to owners, applicants, tenants, and public, unless authorized by Management.
- Personnel recode combination lockboxes as necessary, and at the direction of Management.

# **VENDORS**

## **General Office Policy with Vendors**

MBM requires the following from all vendors

- Completion of W-9, with correct social security number or tax ID and correct name to match the appropriate identification number
  - Personal names must be used with social security numbers
  - Business names must have a tax ID number
- Notification of current Workers Compensation coverage or exemption
- If required by the vendors profession, a general contractor's license, bond, and insurance information are needed



## **Vendors and Lead-based Paint**

When maintenance requires that work is required on lead-based paint, MBM will only use authorized licensed vendors who qualify to work on lead-based paint.

- MBM will only use vendors who comply with the "Lead: Renovation, Repair and Painting Program" rule effective, April 2010 and prohibits work practices creating lead hazards.

## **Responsibility to vendors**

It is a priority to maintain a positive working relationship with vendors but their first priority is to protect the interest of their owners and tenants, which includes the following.

- Management monitors all vendor work.
- Management maintains an accurate file for each vendor.
- Management files all necessary forms with the Internal Revenue Service, and other required agencies as required by law

## **Personnel responsibilities to vendors**

- Personnel are to be responsible for working with vendors, and alerting Management to any problems with vendors.
- Please see other items outlined in General Office Policies of this manual.

## **Payments to vendors**

- Vendors are required to submit their billings in a timely manner.
- For vendor payment during the current month, they must submit their bills by the 7th of the month.
- MBM pays vendors during the MBM payment cycle between 7th and 10th of the month.
- Management must review all vendor bills, before entering invoices into the computer.
- Management and/or the Property Manager must approve special payments.
- MBM does not issue payment to vendors without the required government forms and/or current insurance verification.

## **Vendors and keys**

MBM requires vendors to schedule appointments with tenants as requested and does not give keys to vendors.

- MBM does not supply keys to vendors.
- MBM discourages the practice of tenants supplying keys to vendors for safety and liability reasons.
- When tenants supply keys to vendors, the vendor and tenant are at their OWN risk.
- MBM does not issue MBM office keys to vendors unless vacant and no lockbox is on property.
- Personnel are NEVER to hand out the last key or entire set of keys to a tenant or vendor for a property or unit, mailbox, gate, laundry facility, etc.; they are to arrange for duplicates of keys first.

## **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.

## **Vendors as Tenants**

MBM does not rent to vendors and/or their Personnel; there are NO exceptions to this rule.

- This policy is to maintain a professional work relationship with Vendors and avoid conflicts of interest between the company and vendors.

## **Vendor Responsibility to Company**

MBM requires Vendors to complete the following responsibilities.

- To perform work in a timely manner
- To contact MBM Property Management when scheduling problems arise or work is beyond their capabilities and follow up with MBM if they cannot complete the work assigned
- To be courteous to all tenants
- To provide satisfactory workmanship
- To provide reasonable invoices for work completed
- To follow-up with additional work if required

# OWNER POLICIES

## General Owner policy

The company works for the Owner of a property under a written management contract.

- MBM Property Management works to maintain the property for the Owner within the Owner's authority.
- MBM works to maintain a good working relationship with the Owners' tenants, or to notify the Owner when tenant relations jeopardize the Owner's interests.
- MBM works to provide the Owner with quality management and quality tenants, minimizing financial loss for the property and Owner.
- MBM maintains a written contract with all Owners as required by the Texas Real Estate Commission.

### ***L2 Management Agreement***

- MBM Property Management requires that all Owners provide proof of insurance

### ***L8 Request Owner Insurance***

- MBM maintains computer files on matters concerning the Owner.
- Monthly management requirements:
  - To notify Owners of any necessary information regarding the tenants, property, or required legislation
  - To notify Owners of all repairs needed beyond management's repair limits
  - To answer questions from Owners in a timely manner

## Fair Housing Requirements of Owners

MBM requires all property owners under a MBM management contract comply with all Fair Housing.

- If an Owner will not support and comply with Fair Housing, MBM will send a notice of termination to the owner and close the account.
- This requirement is contained in the Management Agreement with Owners

## Lead-based Paint Requirements of Owners

MBM requires all owners of qualifying properties dated prior to January 1, 1978 to comply with all Lead-based Paint legislation and rulings from the EPA.

- If an Owner will not support and comply with Lead-based paint requirements, MBM will send a notice of termination to the owner and close the account.
- This requirement is contained in the Management Agreement with Owners

## Property Foreclosures

If Property goes into foreclosure, while MBM is managing the property, the tenant will receive their deposit back no questions. No deposits of rent will be sent to owner until notified by new owner or bank.

## **Right to Enter**

MBM requires all owners to comply with all state laws regarding the right-to-enter their investment property.

- If an Owner will not support and comply with right-to-enter laws, MBM will send a notice of termination to the owner and close the account.
- This requirement is contained in the Management Agreement with Owners

## **Fiscal Responsibilities to Owners**

The company policy is to maintain an accurate accounting at all times of the Owners' funds. This is accomplished by, but not limited to, the following

- To maintain the Owners' accounts under the requirements of the Texas Real Estate Commission
- To collect rents, whenever possible, and to pay any Owner-authorized invoices
- To pay Owners their checks on the 12th of the month, or if the date falls on the weekend or a holiday, the checks will be paid on the following business day
- To only pay checks when sufficient funds allow
- To send monthly statements
- To provide copies of all invoices with monthly statements
- To answer any Owner questions regarding their statements
- To obtain authorization for any funds needed over the authorized repair limit listed in the Owner's contract, unless it is an emergency.
- To notify Owners to remit necessary funds as soon as practical

### ***L7 Request Owner Funds***

## **Year-End Responsibility to Owners**

It is company policy to issue an accurate 1099 statement for the total "income" of their property, not the amount of the checks issued to them for the year.

- MBM requires all owners to furnish the necessary information to complete their year-end 1099 such as correct name, address, social security number, and/or tax ID.
- MBM contacts owners as necessary to maintain the information necessary to issue a correct 1099.

### ***L-9 Request Owner W-9***

## **Personnel Responsibility to Owners**

The MBM policy is to direct all calls for Owners to the appropriate Property Manager as quickly as possible

- Personnel are to answer questions for Owners whenever possible in an accurate manner, or to forward the question to the appropriate person
- Personnel are not to answer questions or process information that is not within their job description or authority; if they have any questions on what authority they have, they are to consult Management.
- Personnel are not to alert the Property Manager as soon as possible if an Owner problem develops.

## PENDING VACANCIES

### Notice

A pending vacancy occurs in the MBM office upon receipt of 60 Day Notice from the tenants.

- MBM policy is to begin preparation of the property for vacancy as soon as MBM Property Management receives a 60 Day Notice.
- When property is vacant, MBM policy is to prepare and rent the property as quickly as possible.
- At all times, MBM policy is to reduce the vacancy period and provide good tenancy within as short a time period as is reasonable, and market conditions allow.

### Advertising Preparation

It is a priority that all advertising for pending vacancies be prepared as soon as possible and at the direction of the Property Manager.

- Place sign on Property
- Prepare and place the property information on the MLS and Websites for advertising

### Required Notifications Regarding Vacancy

Company policy is to prepare timely notifications to both the owner and tenant when MBM receives a notice of pending vacancy.

- Personnel are to pull the property folder and give the file to the Property Manager with the following letters:
- Notice letter to the Owner, *L14 Tenant Notice Letter*
- Notice letter to the tenant, *T92 Move Out Instructions*

### Utilities

The company policy is to turn on necessary utilities, such as gas, electric, and water during vacancies in order to maintain the property.

- Personnel are to prepare documentation for contacting utility companies for service when tenant is vacating,
- If necessary, Personnel are to request Owner Authorization for utility companies.

## **Pre-vacancy Walk-Through**

It is company policy to schedule a pre-vacancy walk-through, whenever possible, to plan any necessary maintenance needed and to comply with state laws and to counsel tenants as the walk-through indicates.

- Personnel are to contact tenants to schedule a walk-through appointment.
- A maintenance report is prepared after the pre-vacancy walk-through inspection by the Property Manager.
- If there is no Inventory and Condition form submitted 7 days after move in the tenant is taking the property as is.
- The Property Manager is to notify the Owner of any pending maintenance, and if the maintenance is beyond the repair limits, request Owner authorization of the repairs/maintenance.

# **VACANCY**

## **Personnel Responsibilities during Vacancy**

MBM requires that Personnel know and abide by all policies required for applications and renting a property.

- All Personnel are to request any clarification from Management when needed regarding these policies.
- Personnel are to notify Management immediately if the vacant property has any criminal activity or left unsecured.

## **Advertising during Vacancy**

While properties are on the market, Personnel are required to monitor all advertising necessary as directed by the Property Manager.

- Review property information on Internet/website advertising as necessary
- Review advertising publications as necessary
- Review Internet/Website advertising as necessary
- Review signage as needed, and if necessary, prepare as directed under "Pending Vacancies" in this manual
- Review voice mail as necessary
- MBM does not tolerate any discriminatory practices in advertising of any kind and all advertising must follow Fair Housing.

## **Maintenance Policy during Vacancy Period**

It is company policy for the Maintenance Supervisor to complete a walk-through inspection when the property is vacant

- A maintenance report is prepared after the walk-through inspection
- The Property Manager is to notify the Owner of any pending maintenance, and if the maintenance is beyond the repair limits, request Owner authorization.

### ***L10 Request Repair Authorization***

## Vacancy Showings

While the property is on the market for rent, it is available to all prospective tenants.

- MBM policy is to abide by Fair Housing Guidelines & Laws, as outlined in the Fair Housing section of this manual at all times during the vacancy with the advertising and showings of the Property.
- If Personnel encounter any Fair Housing issues, they are to notify Management immediately.

## 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.

- Personnel are to comply with MBM policy on Owner information.

## Applications

Applications and instructions are available through the real estate agent or MBM office. Personnel should only issue only the most current application of MBM.

### ***T1 – Application Instructions***

### ***T2 – Application to Rent***

- MBM has available flyers for all properties available to rent and properties on 60-day notice.
  - Applications and flyers are located on MLS.
  - When changes to a rental listing occur, MBM updates flyers as necessary.
  - Personnel are to be responsible for supplying flyers where needed and to notify Management if changes are necessary.

## Showings

Showings are available to all prospective applicants if the property is still available and schedules can be coordinated between MBM and prospective applicants.

- MBM schedules showings by:
  - Individual appointment
  - Assigning daily showings
  - Centralized Showing through MLS

- Scheduling of showings
  - The Property Manager is responsible for scheduling showings of properties.
  - Personnel showing properties are to be aware of safety issues at all times.
  - MBM does not schedule showings before 60 days' notice.

### **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.

## Acceptance Follow-Up in MBM Office

After the applicant has completed requirements of acceptance, Personnel are to take the following steps.

- Cancel all advertising
- Notify all Personnel immediately
- Notify owner
- Begin preparations to move tenants into 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
  - Payment online

### **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 **30-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





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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**. I understand and agree to the following:

- I agree to read or refer to the manual when necessary to clarify company policies and procedures.
- I agree to comply with the policies and procedures within the manual as well as follow those directed by management of the company.
- I agree to ask for further explanation of anything not understood in the manual or in conflict with operation of the company.
- I understand that MBM can amend this manual at any time and that any amendments are binding on me.
- I understand that all the information contained in this manual is confidential and not distributed to clientele, vendors, or the public without permission of Management.

\_\_\_\_\_  
Owners Signature

\_\_\_\_\_  
Date

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