

# Virginia Association of Housing Counselors



## Housing Specialty - Rental Counseling Certification Manual

April 2019



## **Virginia Association of Housing Counselors, Inc.**

### **Housing Specialty Rental Counseling Certification**

#### **Introduction**

The Virginia Association of Housing Counselors, Inc. (VAHC) is a group of housing counselors and other housing professionals who have joined together for the purpose of strengthening the housing counseling industry and assuring that all low- and moderate-income families and individuals are offered the opportunity to live in safe, decent, and affordable housing. The homeless, renters, homebuyers, and homeowners are all served by the members of this organization. This training manual is designed to assist housing counselors and housing professionals in preparation for Housing Specialty Rental Counseling Certification (HSRCC) exam administered by the VAHC.

Special thanks to the following individuals who were instrumental in the creation of the curriculum and training materials used for this certification.

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# **SECTION 1**

## Searching for Rental Housing

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## **Introduction**

There is a housing crisis in Virginia and it's providing us with many lessons. Most striking is the need to equip and educate consumers regarding finances and housing. What is also evident is that good, solid housing counseling is of great value to many all across this nation. We learned that households who received comprehensive housing counseling fared much better than those who did not. Furthermore, the current housing crisis has created a new reality.

Housing that's affordable for families, seniors, and vulnerable populations has become scarce. Market-driven developments are flourishing, and housing costs are rising faster than incomes. We are seeing gentrification and displacement crises unfolding throughout the state and across the nation. Foreclosures are still a reality for too many, and others are delaying homeownership until the economy or their financial situation improves.

Once stable communities with unique character and culture are being decimated by the increased cost of housing. Teachers, nurses, and grocery clerks are forced to commute far from their jobs just to live in an affordable apartment. The less fortunate are forced to sleep on couches, in cars, or on our streets.

As these realities continue to persist, making it more challenging to locate decent, affordable rental housing, the role of the housing counselor becomes crucial. It is imperative that Housing Counselors provide reliable information to current and prospective tenants, no matter the reason they may be asking for assistance. The counselors should be familiar with landlord-tenant and fair housing laws and regulations and should also have good working relationships with legal resources to refer clients. Housing Counselors can also help with benefits screening, budget & credit assistance, as well as provide referrals to rental subsidy programs.

The Housing Counselor is there as a resource and guide to assist the individual or family in deciding the best option for his or her household. The counselor's role is to convey that housing options are a continuum that reflects the best option for specific times in the family's life and is

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not a reflection of the family's worth or value to society. A family's housing may change as their needs and resources change.

### **Establishing Client Needs**

During the first meeting with the prospective renter, the Housing Counselor should establish the client's rental housing needs and goals. The client may be an experienced renter, transitioning out of homelessness, or moving from homeownership to renting. Regardless of the client's current position, it is important to determine the client's goals for housing. The Housing Counselor should facilitate a conversation to help the client think about priorities and realities of the housing search.

This plan is developed with participation from both Housing Counselor and the client. Both will discuss what has and hasn't worked in the past and potential solutions. The Housing Counselor works with the client to develop goals with corresponding action steps that the client will complete to achieve each goal. The goals are related to securing housing, increasing income, and securing additional support and benefits as well as other identified objectives.

It is very important during this initial meeting to inform the client that the search for rental housing can take a great deal of work and time so depending on the circumstances timeframes for securing housing can vary.

The first meeting with the prospective renter should establish the following:

- How many people will be living in the rental unit? This could determine how much space the client needs.
- Does the client prefer to rent an apartment or a single-family home?
- Does the client have a sustainable budget? What are the client's income sources? Are they receiving any subsidies? Ideally the total housing cost (rent plus utilities) should be no more than 30 percent of the client's net monthly income. Although HUD and various housing providers utilize adjusted gross income to determine eligibility for housing, the

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net income is what is really available to the client. In addition, the client may need funds set aside to pay application fees and an up-front security deposit, which can cost up to two times the monthly rent price.

- Does the client have a pet? This could narrow the choices of available rental housing.
- Has the client identified another person or persons to live with him/her as part of the household (friends, roommates, live-in aides, etc.)? Other persons should be prepared to supply

the same critical housing documents and complete a background check for particular programs or landlords. Determining the need for additional household members will also decide the size of the unit needed.

- Where does the client want to live? Geographical location is one of the key components in the search for housing.
- Does the client need to live in close proximity to public transportation, schools, or a job?
- Does the client possesses critical housing documents, including a birth certificate or proof of citizenship/legal residency in the U.S., a social security card, and government issued photo.

Some clients require service animals to assist with daily life activities. If a prospective renter has a service animal due to a disability-related need, the animal should **not** be considered a pet for the purposes of pet fees or deposits. Under the fair housing laws, landlords are required to waive pet fees or deposits for service animals as a reasonable accommodation for the tenant's disability. For more information about fair housing protections, see Chapter 2.

## Preparation for the Housing Search

### Financial Preparation and Planning

Renting is a viable housing option and is preferred by many people. As with any decision or option, there are both pros and cons. One major benefit of renting is that maintenance of the property is by and largely the responsibility of the landlord. It is a great option for seniors who no longer want the responsibility of homeownership as well as for young people who are embarking upon their first independent living situation. Renting is a good option for families with credit challenges and or are trying to re-establish credit following a foreclosure.

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On the other hand, renters are unable to build equity from their housing despite paying for their housing each month and can be subject to frequent rent increases. Nevertheless, renting remains a viable option for many people in various circumstances when homeownership is not the most viable option.

Making sure the rent is affordable for the tenant is a critical part of counseling renters. Counselors should help tenants create a monthly budget to follow. Creating a budget will help clients understand their current and potential financial obligations and make sure they can afford their housing choice.

Monthly housing- expenses, including utilities, should not exceed 30 percent of net income (although the HUD calculation uses adjusted gross income). Spending plans and money management need to take all expenses into consideration, including rent, utilities, transportation, food (groceries and eating out), laundry, school expenses, entertainment, loan obligations, child support, savings, donations and personal spending.

### **Market Rate versus Fair Market Rate Housing**

Market Rate- These are units that are priced at the most probable price for similar units in a particular community. It represents the “going rate” or most probable price that a property should be in a competitive and open market, provided all conditions relative to a fair sale are present (i.e., the buyer and seller are knowledgeable and acting prudently and the price is not affected by any undue stimulus).

Fair Market Rate- The amount of residential property rent (including utility cost) that HUD has determined to be appropriate for any given Metropolitan Statistical Area or non- Metro areas within each state. According to the U.S. Department of Urban Development, “Fair Market Rates are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project- based Section 8

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contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as a rent ceiling in the **HOME** rental assistance program”<sup>1</sup>. The tables for Fair Market Rents can be found at: <http://www.huduser.org/portal/datasets/fmr.html>.

### **Searching for Available Housing**

There are a variety of resources to assist with the search for rental housing. Print materials include newspapers, apartment guides, and local circulars (typically found at grocery stores). Real estate and property management companies may also have print materials to offer, though these businesses will only advertise properties that they own or manage. Public school resource offices may also have print materials available.

Many clients find it helpful to learn about housing through word of mouth or by discussing options with family and friends. Sometimes the best way to search can be to simply look around at different neighborhoods. Some landlords may advertise only through yard signs or banners.

The Internet is perhaps the most common place to begin the housing search. If your client does not have access to the Internet at home, encourage him or her to use online resources at a local public library or school. Online apartment guides can allow the client to search for housing by location, but the reliability of these sites varies. Some university websites also offer off-campus housing guides. In addition, the Virginia Housing Development Authority offers an online search tool at

<http://www.virginiahousingsearch.com>. Other tools include online Ads, rental search guides, property management companies and HUD

Housing advertisements that express a preference for a tenant based on race, color, national origin, religion, gender, familial status (having children under the age of 18), or disability status are unlawful under the fair housing laws. Ads that make statements such as “no kids” or “no Latinos” are discriminatory. If you spot a potentially discriminatory housing advertisement, please notify the Virginia Fair Housing Office at (804) 367-8530 or HOME at (804) 354-0641.

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<sup>1</sup> [https://www.huduser.gov/portal/glossary/glossary\\_f.html](https://www.huduser.gov/portal/glossary/glossary_f.html)

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(<http://www.hud.gov/apps/section8/> as well as [www.gosection8.com](http://www.gosection8.com).

While online sources offer valuable search tools, Internet rental scams abound. Housing Counselors and clients should be aware of the following red flags:

- The landlord asks for payment a security deposit payment without a lease in place.
- The landlord asks for fees or rent in cash only.
- Advertisements which state that a landlord is out of the country but will mail keys to a tenant in exchange for wired money.
- Landlords who state they are out of the country but will have a friend show the prospective tenant around the property.

If the client has misgivings about a potential landlord, the Housing Counselor can verify that the landlord owns the property by checking real estate records in the jurisdiction where the property is located. Most localities in Virginia have websites where ownership records are available to search for free. In addition, a simple phone call to the local Real Estate Assessor's office can verify ownership. Finally, clients should be advised that if a situation seems too good to be true, it probably is.

When the client is ready to begin viewing available rental options, the housing counselor should advise the client on how best to prepare. This preparation should include the gathering of necessary documents; and ensuring those documents are easily, and readily, accessible. Documents could include but should not be limited to the following: proof of employment, job history, and rental history. Landlords may also want to know a client's credit score. It is better to have these documents prepared before meeting with landlords, so the client is not left scrambling to find documents later during the housing search process.

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### **Viewing Rental Housing**

After the Housing Counselor has met with a prospective renter, for the purpose of establishing parameters for the housing search, and the client has gathered a list of potential properties; it is time to begin viewing properties. Whether the client has decided to rent an apartment or a single-family home, the viewing is a crucial piece of the housing search.

It is important that the client make a good impression when meeting with the listing agent, landlord, or property management staff. If issues arise on the day a client intends to visit a property and these issues are causing worry, anxiety or anger, it may be best to reschedule the meeting. Clients should bring along a pen and paper for taking notes. It may also be helpful to bring a camera to take pictures if the client is looking at several locations. This will help the client remember the features of each location and compare the pros and cons of each. Along with their case manager; the client should be encouraged to bring their spouse or partner, a friend, or family member to assist with viewing the property; so no detail will be missed.

The housing provider will often offer a tour. Before the tour, the client should ask whether he or she will be viewing a model unit or the actual unit that is available for rent. If the client is viewing a model unit, he or she should ask how the available units may differ from the model. If possible, the client should try to view the actual unit he or she would be renting. During the tour, the client should be extremely observant and should inspect the apartment carefully, making note of any defects or obvious maintenance problems.

During the initial tour as well as just before signing the lease, the client, as well as the Housing Counselor if assisting, should be observant of the following:

#### **Outside Area**

- Is the area well-maintained?
- Is there litter or broken glass?
- Are there rats, mice, or other rodents?

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- Are common areas clean and tidy?

#### Inside the Building

- Are halls and stairways well-lit and uncluttered?
- Are any steps or handrails broken?
- Are there fire escapes or back stairways for egress?
- Is there a working smoke detector on every level of the building?

#### Windows

- Do windows open and close easily? Are any broken? Do windows lock?
- Are there screens, and do the screens fit properly?

#### Kitchen and Bathroom

- Is there adequate water pressure? (turn on faucets and flush toilets)
- Do the fixtures leak? (Look for water damage around sinks, tubs, or toilets).
- Are all appliances clean and working?
- Do drains work?

#### Electrical

- Is there exposed wiring?
- Do all light switches work?
- Are there electrical outlets in every room?

#### Doors

- Do all doors shut properly?
- Are there working locks on all doors?
- Are outside doors secured with a lock? Do keys work?

If the client is participant in a housing program and receiving rental assistance a Housing Quality Standard (HQS) Inspection will need to be conducted prior to any lease signing. (HQS) Housing Quality Standard define "standard housing" and establish the minimum criteria for the health and safety of program participants. HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for special housing types

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such as manufactured homes, congregate housing, single room occupancy, shared housing, and group residences.

In addition, houses & apartments built before 1978 have paint that contains high levels of lead. Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing. Landlords must disclose known information about lead-based paint and lead –based paint hazards before a signed lease. Lease must have a disclosure about lead-based paint.

The client should be prepared to ask specific questions about the cost of the housing and the attributes of the neighborhood. In addition, the client should ask about the maintenance responsibilities of both the landlord and the tenant and should note whether the property is well-maintained. This is the client's chance to gather as much information as possible about the potential rental situation. Remember, the client is interviewing the landlord as much as the landlord is interviewing the client. If the client has a bad feeling about renting a certain place, advise the client to listen to this instinct. A list of question reminders follows, and an inspection list is available at the end of this chapter.

- How much is monthly rent?
- Are utilities and other charges included in the monthly rent cost?
- If applicable, does the landlord accept rental subsidy?
- How much will the security deposit cost? What are the conditions upon which my security deposit will be refunded at the end of the lease?
- How long is the lease? Twelve months, nine months, six months?
- Who will be responsible for maintenance of the unit? Who will bear the cost of repairing plumbing, sinks, toilets, lighting, water damage, etc.?
- Are there any community rules I should be aware of? What is the policy on guests, noise, use of common areas, etc.?
- When is rent due each month, and when is it considered late? Are there late fees?
- Are there laundry facilities on-site?

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- Does the unit come with a parking space? What are the parking policies?

After touring a rental property, the client may want to fill out an application. Many landlords require application fees for processing the application and any required credit checks or criminal history checks. The client should ask up front about what credit or background checks may be required before completing an application. If the client knows up front that he or she may not pass a credit check for the subject property, then it may not be wise to pay an application fee.

***NOTE:*** On April 4, 2016, HUD's General Counsel released guidance for all housing providers (not just those who are HUD subsidized) regarding how the use of criminal background checks could potentially violate fair housing laws. The HUD guidance states that due to the higher than average incarceration rates among certain races (Hispanics and African Americans) in the United States relative to their percentage of the total population and when compared against the incarceration rates of non-Hispanic Caucasians, the use of criminal history to deny housing can cause a disparate impact on these races. In other words, according to HUD's General Counsel, if a landlord is going to use criminal records as part of the screening criteria, the policy must be narrowly tailored.

The rental application may require a rental history, employment and income information, and landlord references, so the client should have this information on hand. If the application is accepted, the client may be required to pay a holding fee for the unit, so the client should plan for this additional expense as well.

### **Finalizing the Search: The Lease Agreement**

When the client has toured a property, passed an application and background check, and decided that the property meets his or her needs, it is time to sign a lease. The rental lease is a legally-binding contract which allows the renter to legally take possession of the rental unit for

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the duration of the lease term. Before signing the lease, the client should read the entire document and be sure he or she understands all of its provisions.

***NOTE: If the client has or will be receiving a rental subsidy, the unit may have to be inspected and approved by specific program staff associated with that subsidy before a lease is signed.***

**This is the most important element of the entire housing search.** The client must understand the entire lease and must understand that rent is due every month. Many landlord-tenant problems arise later during the tenancy because the renter did not understand all provisions of the lease agreement. Housing Counselors can play a key role in this aspect of the housing search by reviewing the lease with the client as well as ensuring that there are no lease provision that violate landlord-tenant law or fair housing.

The lease should note the amount of rent, when rent is due, and any late fees. It should also note the specific dates the lease is to begin and end. The lease should also note the rent term, which means how long the client will be leasing the home. The client should understand all property rules about guests, the penalty for breaking the lease, and who will be responsible for routine maintenance or repairs. The tenant should also be aware whether sub-leasing is allowed. Finally, the prospective renter must be aware of the time frame needed for notifying the landlord of the intent to renew the lease or the intent to terminate the lease and move out.

It may be necessary to assist the client with reviewing the lease and explaining its provisions, being careful not to provide unauthorized legal advice to the client. If the client needs clarification from the landlord on any lease provisions, he or she should ask immediately and should not sign the lease until he or she is satisfied with understanding the entire document. The security deposit and first month's rent is usually due as soon as the lease is signed unless specified otherwise.

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### **Pros and Cons to Renting without a Lease**

Many property owners will rent to customers without a lease agreement. There are both benefits and risks associated with this arrangement. For example, this arrangement can benefit persons with a damaged credit history or no credit history and in some cases, may be the only source of housing for someone with a criminal record. Generally, the risks, such as uncontrolled rent changes, spotty or no maintenance, associated with this arrangement outweigh the benefits. Encourage any client that rents without a lease to take the same precautions that those who sign a lease take (*refer to section 4, Understanding Lease Agreements and Terms*).

These simple steps may help a client in a dispute or court appearance:

- Inspect and take pictures of the property prior to moving in; complete a move in inspection form to note any pre-existing damages and repairs needed. The tenant and the property management representative or landlord should both sign and both receive a copy. (See Appendix 1)
- Obtain receipts and keep copies of all rent payments made to the landlord. Avoid paying in cash. It is easier to establish a payment history with a paper trail.
- Keep track of all expenses related to repairs of the property.
- Do your part to keep the premises clean and in good condition.

Self-help evictions are illegal in Virginia. If a client is renting without a lease, the landlord-tenant laws still apply. The landlord must give the tenant proper written notice and go through the court to evict; and tenants should be encouraged to seek legal assistance. (*Section 8 contains details of the eviction process*)

### **Annual Recertification**

Recertification is an annual requirement of subsidized housing and many non-subsidized properties, although the requirements may be different between the two. Failure to comply and provide the necessary documentation during this recertification can result in termination of a lease. The Housing & Economic Recovery Act of 2008, which became law on July 30, 2008, allows Low Income Tax Credit Properties (IHTC) and tax- exempt bond properties that are 100%

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low income to no longer certify existing residents. Although this was enacted as federal law, some Housing Finance Agencies (HFA), will still require the property management company to complete annual recertification as part of their policies. Tenants should consult with their landlord on recertification process and procedure at time of move in or prior.

If recertification is required yearly (i.e., mixed- income projects), they must be completed within 120 days before the anniversary of the effective date of the original tenant income certification.

#### **Recertification for Project and Tenant Based Subsidies**

Rent Recertification for project- based subsidy units or individuals/families who have tenant based rental assistance is an annual review of the household's income and household composition and is used to set and/or revise the rent. The process begins about 120-60 days prior to the anniversary of when one first moved into a unit. Also, during this process, an inspection of the unit will be completed. The inspection most often used is the Housing Quality Standards (HQS) inspection. The HQS inspection protocol was developed by HUD to ensure that the physical housing is safe, sanitary and decent. Finally, there may be additional requirements needed by the program providing the subsidy as it relates additional paperwork from the tenant and the landlord.

#### **Recertification for Non-Subsidized Units/ Tax Credit Properties/Rent-Income Restricted**

For non-subsidized units or market rate units, a lease renewal agreement may be all that is required although requirements vary by properties. This agreement is a written document that extends the term of an existing lease agreement between a landlord/owner of a property and a tenant/renter of the property. As with project/tenant- based housing, those living on tax credit properties which typically have rent and income restrictions, tenants will have to complete a yearly recertification process and home inspection as well.

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To ensure clients are prepared for the recertification process, it is best to advise them to keep any recent income documentation, bank statements, and/or any other additional documentation that was provided at initial qualification of the unit (See Appendix 2). Always advise your landlord of any household composition changes to ensure rent is calculated correctly. This will help ensure the process is completed timely.

When thinking about renewing your lease, no matter the type of unit the client is in, it's best to keep the following in mind:

### **Renewal and Non-renewal**

It's always best to refer to the lease, which will specify lease renewal and non-renewal conditions and requirements. For example, if a tenant is choosing not to renew their lease, most landlords require written notice, 60-90 days prior to the lease expiration. If there aren't any specifications, then notify the landlord between 60 and 90 days.

Counselors should also advise their clients to lookout for leases that have clauses that if neither the landlord nor the tenant provides notice to vacate then the lease will automatically renew. In some cases, a new lease does not have to be signed, the previous lease will automatically renew starting a new contract between the tenant and the landlord.

While a phone call with a landlord can be suitable in many instances, it's best to play it safe and notify the landlord in writing that you wish to renew your lease. If a tenant cannot provide this notice face to face, an email is acceptable, but be sure to get a response of some kind showing the landlord read what you sent. If a letter is mailed to the landlord, track it with delivery notification so one's effort to renew the lease can be verified. This may be useful if the landlord later tries to claim the tenant never tried to contact him/her.

### **Rent Increases and Decreases**

Also, look for a lease renewal increase or decrease clauses. While not all leases have them, this will tell a tenant if certain things will have to change in case of a renewal, like if the rent will increase by an amount dictated by market value or by a specific percentage each lease year. In

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all cases, if a landlord and/or housing agency is increasing or decreasing a tenant's rent, it is typically required to provide tenants with a minimum of 30 days notice prior to the effective date. You can also find information in the HAP contract which between the tenant and the housing agency. Tenants should be aware of a landlord's intention to increase or decrease their rent prior to signing a new lease agreement and given enough time to enter a notice to vacate/non-renewal letter in time to meet the terms of their lease. The HUD 4350 will state notice dates concerning rent changes for recerts, interims, utility allowance changes and gross rent changes.

### **Renegotiating**

If the lease does not have a renewal clause and the tenant wants to negotiate new terms, the renewal period is usually the best time to negotiate any changes.

### **Conclusion**

Housing is a right and a good home is a central part of people's lives. Housing impacts the quality of education, employment and health. People need housing that is affordable and provides a stable and secure base. Housing should be safe, comfortable and provide for all the household's requirements. Finally, housing should connect people to community, work and other local services such as transport and schools. Where one lives should not be determined due to the lack of decent and affordable housing nor should it be determined by discriminatory factors such as race, ethnicity, national origin, familial status, disability, age gender or sexual orientation. The reality is that some neighborhoods provide greater opportunities than others. Housing Counselors and other advocates are working to create a wide range of housing options for consumers in all neighborhoods.

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**Notes:**

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# **SECTION 2**

## **TYPES OF RENTAL HOUSING**



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## **Types of Housing**

Just as housing, in general, consist of a continuum, rental housing options range from high-end luxury units that are higher in cost than market- rate units, to more affordable options designed to meet the needs of low- income families. There are various types of housing rentals, including apartments, condos, manufactured homes, single family homes attached and detached homes. As a housing counselor who, for the most part, will counsel low to moderate- income families, it is important to be familiar with the various types of rental housing and some of the terms associated with them. These terms include the following:

**Luxury** –These are units (apartments, townhomes, condos and single- family homes) with extra amenities and features, including such things as private pools, higher grade appliances, special construction features for which higher than market-rate rents are charged.

**Attached Home:** a home that shares a wall with another home on either one or both sides.

**Detached Home:** A home that is free of any shared walls and stands alone.

**Single Family Home:** A single- unit family residence, detached or attached to other housing structures.<sup>2</sup>

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<sup>2</sup> [https://www.huduser.gov/portal/glossary/glossary\\_s.html](https://www.huduser.gov/portal/glossary/glossary_s.html)

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**Apartment:** A suite of rooms forming one residence; a self-contained housing unit that occupies part of a building; typically, all rooms are located on a single story of a building. Multiple apartments form an apartment building.

**Condominium:** A form of ownership in which the separate owners of the individual units jointly own the development's common areas and facilities<sup>3</sup>; a building or complex of buildings containing several individually owned apartments or houses.

**Manufactured Home:** A structure, transportable in one or more sections, which in the traveling mode is 8 or more feet in width, or 40 feet or more in length, once erected on-site is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contain in the structure. The term does not include any self-propelled recreational vehicles.<sup>4</sup>

### **Types of Housing Programs**

**Subsidized Housing:** These are housing units that receive fund from the federal government in order to lower rents, making them affordable for low-income families, the elderly and people with disabilities. The various types of subsidized housing include:

**Project-Based Subsidies:** Project based subsidy also known as property-based is defined by the subsidy being attached to the building. The project-based subsidy of the Section 8 program was developed by HUD to provide rental subsidies for eligible tenant households (including single persons) residing in newly constructed or refinanced and rehabilitated existing rental and cooperative apartment projects. (Note that these subsidies are often connected to FHA mortgage insurance programs used by private developers and are not to be confused with Public Housing). The project-based rental assistance program provides funding to landlords

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<sup>3</sup> [https://www.huduser.gov/portal/glossary/glossary\\_c.html](https://www.huduser.gov/portal/glossary/glossary_c.html)

<sup>4</sup> [https://www.huduser.gov/portal/glossary/glossary\\_m.html](https://www.huduser.gov/portal/glossary/glossary_m.html)

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who rent a specified number or percentage of affordable apartments to low-income families and individuals. Assistance is tied directly to the properties so tenants cannot move without forfeiting the housing assistance. The term ‘project-based assistance’ applies to rental subsidy programs in which the federal government has a contract with the landlord which is different from tenant-based (Housing Choice Voucher) rental assistance.

In addition to HUD subsidy programs, other programs may also provide some level of subsidy for tenant households in specific developments. Among these programs are:

- a) Low-Income Housing Tax Credits (a program of the US Treasury)
- b) USDA Rural Development Section 515 Rental Housing.

**Tenant-based Rental Assistance:** Tenant-based Rental Assistance (TBRA) HUD assists low- and very low-income families in obtaining decent, safe, and sanitary housing in private accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit.<sup>5</sup>

Tenant- based Rental Assistance consists of the subsidy following the eligible tenant. Tenant-based allows an eligible person to select the housing unit using rental assistance. These subsidies allow tenants to pay 30% of their adjusted gross income for their rent. HUD subsidizes the balance up to the fair market rent. In rare cases, HUD will allow a tenant to occupy a unit that rents for 120% of fair market rent. In those cases, the tenant would pay the additional cost above fair market rent. However, at no time is a tenant permitted to pay more than 40% of their adjusted gross income for rental costs. The most popular tenant-based rental assistance program is HUD’s Housing Choice Voucher program, formerly known as Section 8. **Section 8/**

**Housing Choice Voucher:** Provides rental assistance to low-income families who are unable to afford market rents. Assistance may be in the form of vouchers or certificates.<sup>6</sup>

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<sup>5</sup> [https://www.huduser.gov/portal/glossary/glossary\\_all.html](https://www.huduser.gov/portal/glossary/glossary_all.html)

<sup>6</sup> [http://www.huduser.gov/portal/glossary/glossary\\_all.html](http://www.huduser.gov/portal/glossary/glossary_all.html)

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Prospective tenants can apply to the Housing Choice Voucher program by contacting the Public Housing Authority (PHA) in their area. To locate the appropriate PHA, visit the following website:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/pha/contact](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contact)<sup>7</sup>

#### **Other types of TBRA include**

- i. HUD-VASH (Veterans Administration Supportive Housing) for homeless veterans. The Veterans Administration determines eligibility for these funds and makes referrals to that appropriate Public Housing Agency. Veterans interested in participating in the HUD-VASH program should contact their local Veterans Affairs Medical Center (VAMC). For a list of participating VAMC's and PHA's visit the following website:

<http://www.hud.gov/offices/pih/programs/hcv/vash/><sup>8</sup>

- ii. Mainstream Program Vouchers enable families who have persons with disabilities to lease affordable, accessible housing. These vouchers are generally administered by Public Housing Agencies and occasionally, by Non-profit organizations. Families who have members with a disability and who meet the income eligibility criteria can apply to their local PHA.<sup>9</sup>
- iii. Family Unification Program (FUP) vouchers
- iv. Family Self-Sufficiency Vouchers
- v. HUD's HOME Investment Partnership
- vi. Some Continuum of Care Supportive Housing
- vii. Emergency Solution Grant programs
- viii. HUD's Housing Opportunities for People with AIDS (HOPWA)
- ix. Health and Human Services Ryan White Programs for persons with HIV/AIDS

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<sup>7</sup> Ibid

<sup>8</sup> [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_9175.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9175.pdf)

<sup>9</sup> <http://www.hud.gov/offices/pih/programs/hcv/pwd/mainstream.cfm>, retrieved January 15, 2013

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**Public Housing** was established by the US Department of Housing and Urban Development in 1937 to provide safe, decent and affordable housing for eligible low-income families, the elderly and people with disabilities. To qualify, a household must have an adjusted gross annual income that is at or below 80% of the Area Median Income and qualify as one or more of the following:

1. An elderly person
2. A person with a disability
3. A family

Public housing includes a wide range of options from single-family homes, garden apartments, to high rise apartments for the elderly. Counselors working with individuals or families who are applying for any form of public housing should be prepared to guide and assist the client with the paperwork (application and verification documents) required for application. To apply for public housing, an applicant must contact the Public Housing Authority in their area of interest. The applicant will be required to produce documents that verify income, and other eligibility claims. Clients should be prepared to present documents that verify their income and citizenship status and that of family members who plan to live in the unit, not limited to but including:

- Social security cards
- Birth certificates
- Tax returns
- Payroll documentation

Applicants may also be required to undergo criminal history checks as part of the application process. The Housing Authority will notify applicants of their eligibility in writing. Due to the high demand for public housing and the limited supply, most applicants are placed on a waiting list once accepted. There are thirty housing authorities in Virginia. For a list of housing authorities in Virginia, go to <http://www.hud.gov/local/va/renting/hawebsites.cfm>.

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Clients who struggle with reading and writing may require additional assistance in the application process.

Examples of Public Housing are Mosby Court and Whitcomb Court.

### **Public Housing and Persons with Criminal Records**

Assisting persons with criminal histories in their search for housing is always challenging.

Criminal history is not a protected class under the fair housing act and many housing providers do not accept persons with a criminal background. HUD regulations prohibit occupancy based on two types of offenses.

- 1) Anyone found to have manufactured methamphetamine on the premises of federally assisted housing.
- 2) Sex offenders who are subject to a lifetime registration requirement under a State Sex Offender Program.

Anyone found to have manufactured methamphetamine on the premises of federally assisted housing and sex offenders who are subject to a lifetime registration requirement under a State Sex Offender Program are forever prohibited from occupying public housing or receiving a housing choice voucher.

Both above offenses will forever prohibit an individual from occupying public housing or receiving a Housing Choice Voucher. Beyond the previously mentioned offense, Public Housing Authorities have discretion in establishing policies regarding admission of persons with criminal backgrounds. PHA's must prohibit admission of an applicant for three years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related activity.<sup>10</sup>

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<sup>10</sup> HUD Secretary Shaun Donovan and Assistant Secretary, Sandra B. Henriquez letter dated June 17, 2011  
<http://nationalreentryresourcecenter.org/announcements/hud-director-encourages-public-housing-authorities->

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HUD Secretary Shaun Donovan and Assistant Secretary, Sandra B. Henriquez letter dated June 17, 2011.

<http://nationalreentryresourcecenter.org/announcements/hud-director-encourages-public-housing-authorities-to-grant-access-to-peopke-with-criminal-records>

However, on June 17, 2011, HUD Secretary Shaun Donovan and Assistant Secretary Sandra B. Henriquez issued a letter encouraging PHA's to allow ex-offenders to reunite with their families when appropriate. **For details on the regulations governing public housing, following websites:**

- a) <http://www.hud.gov/offices/pih/programs/ph/rhiip/phguidebooknew.pdf>
- b) [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/rhiip/guidance](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/guidance)
- c) National Housing Law, Public Housing Resource Center  
<http://rhlp.org/resourcecenter?tid=34>
- d) 24 CFR Part 5, 880, et. Al.  
[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_8929.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_8929.pdf)
- e) [http://www.dhcd.virginia.gov/HomelessnesstoHomeownership/PDFs/Landlord\\_Tenant\\_Handbook.pdf](http://www.dhcd.virginia.gov/HomelessnesstoHomeownership/PDFs/Landlord_Tenant_Handbook.pdf)

**202's:** (Supportive Housing for the Elderly) The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides low- income elderly options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. <sup>11</sup>

Section 202 provides capital advances to finance construction, rehabilitation or acquisition (with or without rehabilitation) of structures that will serve as supportive housing for very- low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects

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[to-grant-access-to-people-with-criminal-records](#), obtained online 2-11-2013

<sup>11</sup> [https://www.hud.gov/program\\_offices/housing/mfh/progdesc/eld202](https://www.hud.gov/program_offices/housing/mfh/progdesc/eld202)

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to make them affordable. (Note: an elderly person is defined by being age 62 or older at the beginning of the family or individual's occupancy in the particular unit). <sup>12</sup>

**Tax Credit Properties:** In 1986 as part of a major change in tax law, Congress enacted the Low-Income Housing Tax Credit (Tax Credit) (LIHTC) program as an incentive to encourage development of affordable housing. In exchange for the acquisition, rehabilitation or construction of affordable rental housing units, owners are allowed to reduce their federal tax liability. The Internal Revenue Service of the Department of Treasury (IRS) is responsible for interpreting the statutes regulating the Tax Credit program, which is governed by Section 42 of the Internal Revenue Code (the Code). Virginia Housing Development Authority (VHDA) is the state's designated housing credit agency working with both allocation and compliance monitoring.

#### How it Works:

The LIHTC provides funding for the development costs of low-income housing by allowing a taxpayer (usually the partners or a partnership that owns the housing) to take a federal tax credit equal to a larger percentage of the costs incurred for development of the low-income units in a rental housing project. Development capital is raised by "syndicating" the credit to an investor or, more commonly, a group of investors. To take advantage of the LIHTC, a developer will typically propose a project to a state agency, seek and win a competitive allocation of tax credits, complete the project, certify its costs, and rent-up the project to low-income tenants. Simultaneously, an investor will be found that will make a "capital contribution" to the partnership or limited liability company that owns the project in exchange for being "allocated" the entity's LIHTCs over a ten year period. The amount of the credit will be based on (i) the amount of credits awarded to the project in the competition, (ii) the actual cost of the project, (iii) the tax credit rate announced by the IRS, and (iv) the percentage of the project's units that are rented to low income tenants. Failure to comply with the applicable rules, or a sale of the

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<sup>12</sup> [http://www.huduser.org/portal/glossary/glossary\\_m.html](http://www.huduser.org/portal/glossary/glossary_m.html)

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project or an ownership interest before the end of at least a 15-year period, can lead to recapture of credits previously taken, as well as the inability to take future credits.

Owners of participating properties receive valuable tax credits in return for keeping their buildings safe, decent, and affordable. In condition with these benefits the property owner must adhere to the commitments made in their application which could either be:

- At least 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income.
- At least 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income.

Typically, the project owner will agree to a higher percentage of low income usage than these minimums, up to 100%. Low income tenants can be charged a maximum rent of 30% of the maximum eligible income, which is 60% of the area's median income adjusted for household size as determined by HUD. There are no limits on the rents that can be charged to tenants who are not low income but live in the same project.

Tax credit properties are among the most popular type of new and sustaining housing developments being built. Government funding for new fully funded housing developments are rare for both new construction and existing housing. Understanding the rules and regulations of the community of a tax credit property is important and help the success of your client. In addition some tax credit properties provide services such as onsite social workers, after school programs and or senior services which can be beneficial to your client. An example of a Tax Credit Property is Better Housing Coalition.

### **Conclusion**

While there are a wide range of rental options, there continues to be a lack of affordable, safe and decent housing options. The foreclosure crisis of the late 2000s has resulted in a much tighter rental market, creating increased competition for the housing that is available as well as increased potential for consumer fraud and fair housing violations. It is imperative that Housing Counselors continue to educate themselves regarding the wide range of housing options

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available to consumers as well as scams and abusers that are so prevalent. We need to do all that we can to increase the financial and consumer competencies of the people we work with.

**Notes:**



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## **SECTION 3**

# **INCOME CALCULATIONS**

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## **Types of Income**

Understanding the different types of income and how they are calculated can greatly assist you in helping your client find housing that is affordable and also provide another layer of protection for your client in ensuring they are not being overcharged for rent. In addition, the landlord's ability to verify income can hinder and delay the application and recertification process. Counselors should work with tenant and landlord, if needed, to ensure income documents are verified in a timely manner to help their clients move through the process as quickly as possible.

*Note: Counselors should check for changes listed in this section to verify applicability to each housing program*

### **Employment Income**

When verifying employment income, the following information should be obtained:

- Employment Date;
- Pay Rate
  - hourly wages by 2,080 hours
  - weekly wages by 52
  - bi-weekly amounts by 26
  - semi-monthly amounts by 24
  - monthly amounts by 12
- Overtime;
- Bonuses;
- Commissions;
- Tips;
- Shift Differential

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VHDA has adopted the definition of Third Party to include pay stubs as a primary method of verification. This means that accepting four to six current consecutive pay stubs from applicants/residents carries the same weight as independent third-party employer verification.

### **Types of Third-Party Verification**

- a) Written Third Party from the source, which includes:
  - Written verification on verification form
  - d) Pay Stubs;
  - e) Payroll summary;
  - f) Employer hire letters;
  - g) SSA Benefit Letter for pensions and SS;
  - h) Bank Statements to verify the value of assets;
  - i) Child Support Payments Stubs, agency print-outs, etc.
- b) Oral third-party verification may be used only if it is not possible to obtain written third-party verification and the file documents attempts to obtain written verification.

*Hand delivery of documents is not prohibited if the document is clearly authentic (may require oral follow up with source to determine validity).*

*Document should be current and complete (e.g., 4-6 consecutive pay stubs) and an unaltered original. Photocopied documents generally should not be relied on.*

- a) A tenant's notarized statement or signed affidavit regarding income is acceptable only if the information cannot be verified by another acceptable method. In these cases, the following is required:
  - b) Written note to the file explaining why third-party verification is not possible;  
**OR**
  - a) A copy of the date-stamped original request that was sent to the third party;

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- b) Written notes or documentation indicating follow up efforts to reach the third party to obtain verification; and
  - c) A written note to the file indicating that the request has been outstanding without a response from the third party.

### **A Note on Tips and Minimum Wage**

Counselors should understand that virtually anyone in the service industry receives tips. This includes wait staff, bartenders, manicurists, exotic dancers, barbers, etc. Tip income for this group must always be addressed.

According to the Fair Labor Standards Act, tips plus hourly wage must at least equal the minimum wage for non-tipped employees. The Federal minimum wage at the time of this Edition is \$7.25 per hour for non-tipped employees and \$2.13 per hour for tipped employees. (Just a note of historical interest, the minimum wage was first established in 1938 at \$0.25 per hour.)

Examples of 2019 State minimum wages:

- Maryland: \$10.10
- Delaware: \$9.25
- New Jersey: \$8.60
- New York: \$11.10
- District of Columbia: \$14.00

Certain categories of workers are not required to be paid minimum wage. These include:

- Independent Contractors (only employees are entitled to the minimum wage);
- Casual babysitters;
- Workers on small farms;
- Companions for the elderly;
- Workers with disabilities;
- Federal criminal investigators;
- Fishing industry;

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- Homewalkers making wreaths;
  - Newspaper delivery and newspaper employees of limited circulation papers;
  - Seaman on non-American vessels;
  - Switchboard operators

Even if a business is exempt from the federal minimum wage law, they may still be covered under state or local law.

These are just some of the categories that are exempt from minimum wage laws, and anytime an applicant states that they make less than minimum wage, an explanation from their employer as to which category of exemption they fall under will likely be required.

The Fair Labor Standards Act (FLSA) provides for the employment of certain individuals at wage rates below the minimum wage. These individuals include student-learners (vocational education student), as well as full-time student employed by retail or service establishments, agriculture, or institutions of higher education. Also included are individuals whose earning or productive capacity is impaired by a physical or mental disability, including those related to age or injury, for the work to be performed.

Employment at less than the minimum wage is designed to prevent the loss of employment opportunities for these individuals. Certificates issued by the Department of Labor's Wage & Hour Division are required for this type of employment.

The youth minimum wage is authorized by the FLSA, which allows employers to pay employees under 20 years of age a lower wage for 90 calendar days after they are first employed. Any wage rate not less than \$4.25 an hour may be paid to eligible workers during this 90 – day period.

#### **Overtime:**

Certain occupations are exempt from both minimum wage and overtime, including those noted under the minimum wage exemption, plus:

- 
- Commissioned sales employees (in some cases, but not all);
  - Computer Professionals, if paid at least \$27.63 per hour;
  - Drivers, driver's helpers, loaders and mechanics if employed by a motor carrier;
  - Salesmen, parts men, and mechanics employed by auto dealerships; and
  - Executive, administrative, professional and outside sales employees.

*Note: In order to avoid overtime, a salaried employee must be paid at least \$455 per week (\$23,660 annually.)*

Additional information on state overtime requirements may be obtained at [www.dol.gov](http://www.dol.gov)

**Temporary Employment Income:**

Pursuant to 24 CFR §5.609(c )(9), owners and management agents of housing occupied by tenants who receive Section 8 benefits (and therefore LIHTC properties also,) are to exclude from the calculation of annual income any temporary income payments received by those tenants from the U. S. Census Bureau. HUD Notice H 09-16, issued October 2, 2009, defines temporary as “employment income lasting no longer than 180 days and not culminating in permanent employment. Employer verification of both the employment dates and income amount must be maintained in the tenants file.” Note: HUD has provided no clarification that this provision applies to anyone other than census workers, although HUD has indicated that this definition applies to any temporary income (*HUD-VASH Operating Requirements as published in the Federal on May 6 and 19, 2008*).

**Military Verification:** Be sure to use a military verification form that shows all allowances (all must be counted except “hostile fire pay”, and for LIHTC purposes only, the Basic Allowance for Housing in some areas).

The four to six most recent Leave & Earning Statements (“LES”) is the best method for verifying (Military personnel may obtain their LES online).

If using the LES, be aware of Basic Allowance for Housing Zip Code (BAH ZIP”) and Clothing Allowance.

<http://militarypay.defense.gov/pay/> is a good website for obtaining allowances.

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When verifying the income of National Guard and Reserve, remember the two-week annual active duty for training (“ACDTRA”) pay.

All income should be verified no more than 120 days prior to the effective date of the TIC (90-days for Rural Development).

**Pensions and Social Security:**

- Use gross income, not net (don't use bank statements that show direct deposit);
- Increase in Pensions and Social Security occur once each year. Award letters may be used, but if more than 120 days old, an update should be obtained.

To request a proof of income letter from SSA website, have the applicant/resident go to [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount) (this should not be done from your office.)

The fact sheet, How to Create an Online Account (Publication #05-10540) provides step by step instructions on how to get a benefit verification letter.

To request a Proof of Income Letter from SSA's toll-free number, call 1-800-772-1213.

This information is free, and the tenant should receive the letter in the mail within ten days.

Social Security increases will be announced each October. When publicly announced, the change should be considered in the calculation of income.

- o E.g., Social Security of \$600/ month in 2017;
- o Increase of 2% announced in October 2017;
- o Tenant moving in November 1;
- o Use \$600 for November and December (\$1200)
- o Apply 2% increase for January – October 2018 ( $\$612 \times 10 = \$6,120$ )
- o Annual income is  $\$1200 + \$6120 = \$7320$ .

Increase will apply to Social Security, VA Pension, Railroad Retirement and Civil Service Pensions.

**Income that May not Last a full 12 Months** - Section 5-5.A.1 of HUD Handbook 4350.3 states:

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"Income that may not last for a full 12 months (e.g., unemployment compensation) should be calculated assuming current circumstances will last a full 12 months." If changes occur later in the year, an interim recertification can be conducted to change the family's rent. *No interim is conducted for LIHTC purposes since income does not affect rent.*

### **Self-Employment Income**

1. Obtain "Self-employment Affidavit"
  - a. States how much gross and net business income the resident expects to make over the next 12 months.
2. Obtain documentation to support the Affidavit:
  - a. Federal tax return with supporting schedules (preferred)
    - i. Schedule C for most businesses;
    - ii. Schedule E for rent property, partnerships, and "S" Corporations; and
    - iii. Schedule F for Farm Properties

#### ***Note on tax returns:***

Obtain transcript from the IRS ~ 1-800-908-9946; transcript will be sent to tenant at no charge within 10 days and may also be ordered online. (Self-prepared returns are not recommended.) IRS Form 4506-T may also be used but receiving the return could take longer.

If tax return is not available, other acceptable documents include;

- ❖ Audited or Unaudited financial statements;
- ❖ Accountant/bookkeeper statements; or
- ❖ Other reasonable methods of verification

Note: *While it is an acceptable form of verification, a notarized statement or affidavit signed by the applicant should only be used when no other form of verification is possible. This is especially important for LIHTC properties.*

### **Other Acceptable methods of verifying Income**

- 
1. Income Verification Services (not a preferred method)
    - a. For a fee, additional information can be obtained from the Work Number; First American Registry; or Verifax. Fees are valid project expenses for HUD and RD.  
**Information does not replace third party verification.**
  2. Fax
    - a. Should have company name and fax number
    - b. Oral follow-up is strongly recommended.
  3. E-mail
    - a. Must have name of appropriate individual and firm.
  4. Internet
    - a. Must be a reputable source and viewable on a computer screen.
  5. W-2 may be used as last resort, buy only if
    - a. Employed with same employer for two years; and
    - b. Increases in income can be reasonably projected.

**Child Support:** Court ordered child support must be counted even if not being received, unless the applicant/resident can show that it is not being received and that reasonable attempts have been made to collect it.

- When child support is received, it should be third party verified if possible. If not possible, a notarized affidavit from the resident may be accepted. This affidavit should also state why third-party verification is not possible.
- IRS Guidance regarding households not receiving support (when there is no court order):
  - Affidavit from resident is acceptable if it states:
    - i. No support received;
    - ii. Whether or not the resident intends to pursue support; and the resident will notify management if support is received.

Annual wages should always reflect a full 12-month period regardless of how the wages are paid. For example, if a teacher is paid \$30,000 gross annual salary, use \$30,000 as the wages

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regardless of whether the teacher is paid in 12 monthly installments, 9 installments or some other payment schedule.

- Unless specifically noted on the third-party verification of time laid off. Calculation of income will still be listed as annual income.
- If a family indicates that income might not be received for the full 12 months (e.g., unemployment compensation), the income should still be calculated assuming the current circumstances will last a full 12 months (benefits may be extended).
- Use current circumstances to project income, unless verification forms indicate that a change is expected.
- If government benefits have been reduced due to prior overpayment, use the current amount (until the original amount is reinstated).
- While -0- income certification is acceptable, households with no discernable means of support should be avoided. Have applicant/tenant complete a survival statement along with Zero income affidavit.

### **Tenant Misrepresentation or Fraud**

This is deliberate misrepresentation of fact in order to induce someone else to part with something of value or surrender a legal right.

If a landlord discovers tenant fraud, they are mandated to

- a. Report fraud to HFA;
- b. Follow landlord-tenant law relative to eviction; and
- c. Report fraud to IRS Tax Fraud Hotline on IRS Form 211. Evidence of fraud will have to be provided to the IRS.
- d. Recertification is not required if tenant is being evicted.

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### **Income Calculation Problems**

1. An applicant who is entitled to monthly Social Security benefits of \$950 has had payments reduced to \$850 per month due to prior overpayment. This reduction will remain in place for four months after move-in, at which time full payments will resume. What is the annual income from Social Security?

a) \_\_\_\_\_

2. A Household receives the following benefits:

- a) \$17,000 annually from Social Security
- b) \$600 monthly from ex-husband's social security
- c) \$200 monthly stipend for operating tenant programs at the property
- d) What is the annual income of the household?

• \_\_\_\_\_

3. Applicant works 40 hours per week at \$12.50 per hour, with an average of four hours overtime weekly. The applicant moves in on November 1. Effective March 1, the applicant will receive a raise to \$13.00 per hour; what is the annual income?

• \_\_\_\_\_

4. John is applying at your property and his only income is from employment. It is verified that he receives \$2,050 each pay period and he is paid every two weeks. What is John's income?

• \_\_\_\_\_

5. Which of the following types of income should be excluded from tax credit applicants?

- a) Military clothing allowance

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- b) Money withheld from paycheck to pay child support
  - c) Military Hazardous Duty Pay
  - d) SNAP Payments.

### **Introduction to Assets**

Below are some basic assets rules. A tenant's assets are calculated and used to determine income on all federally funded housing programs. In some cases, especially with seniors, a client can be considered over income by the amount of assets that have although only a small percentage of that assets is added to their income.

#### **Example of Assets**

Assets are items of value, other than necessary personal items, and are considered along with verified income to determine the eligibility of a household.

- Cash held in savings and checking accounts, safe deposit boxes, etc. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months.
- Stocks, bonds, treasury bills, certificates of deposit, mutual funds and money market accounts;
  - Interest or dividends earned are counted as income from assets even when the earnings are reinvested.
- Investment Accounts;
  - In accordance with HUD Handbook 4350., Chg. 4, "the withdrawal of cash or assets from an investment received as periodic payments should be counted as income. Lump sum receipts from pension and retirement funds are counted as assets. If benefits are received through periodic payments, do not count any remaining amounts in the account as an asset."
- Cash value of life insurance policies available to the tenant before death;

- 
- E.g., whole or universal life insurance (term life will not be an asset). You are to always verify the cash surrender value. (what is the cash value if you were to cash in this policy)
  - Equity in real property or other capital investments. Equity is the current fair market value less: 1) any unpaid balance of loans secured by the property; and b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
  - Cash value of trusts that are available to the household (revocable trusts).
  - IRAs, Keogh and similar retirement savings accounts, even though withdrawal may trigger a penalty. If the individual is making withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)
  - Amounts in retirement/pension funds that can be withdrawn without retiring or terminating employment.
  - Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. An applicant's wedding ring and other personal jewelry are not considered assets.
  - Lump sum receipts or one-time receipts such as inheritances, capital gains, one-time lottery winnings, settlements on insurance, and other claims. Do not include lump sum receipts that must be counted as income.
  - A mortgage or deed of trust held by applicant. (See HUD Handbook 4350.3, Chapter 3, Exhibit 3-4, which sets out the method of calculating actual income for the interest portion of payments received and imputed income on the asset value.)
  - Assets disposed of for less than fair market value during the two years preceding certification or recertification.

### **Basic Asset Rules**

1. Never ignore assets, no matter how minimal.

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2. If assets are \$5,000 or less, actual income must be counted, but income is never imputed.
    - a) Verification of assets may not be required for LIHTC properties.
  3. If total household assets exceed \$5,000, all assets must be verified.
    - a) Actual income from assets must be compared to imputed income and higher of the two added to household income.
      - The HUD passbook rate as published in HUD Handbook 4350.3 must be used.
  4. Landlords must determine whether assets have been disposed of for less than fair market value at move-in [two years prior to application] and at each recertification (covered in detail later).

Three critical elements: **ACCESS, CASH VALUE & IMPUTING**

### ***Assets Owned Jointly***

If more than one person shares ownership of assets, prorate the assets according to the percentage of ownership. If no percentage is specified, prorate evenly.

- If an individual does not effectively own assets, don't count.
  - o E.g., joint bank account with senior resident and child (who benefits, who contributes, who pays taxes?)

### **Determining Cash Value of Assets**

The “cash value” of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash. Examples include:

- Penalties for premature withdrawal
- Broker and legal fees; and
- Settlement Costs for real estate transactions.

### **Real Estate**

- Establish Fair Market Value

- 
- Assessment
  - Appraisal
  - Real Estate Listing
  - Broker's Statement
  - Bona Fide Sales Contract

### **Establish Cash Value**

- Fair Market Value minus Mortgage Principal and Cost of Sale = Cash Value
  - Cost of sale includes broker fees, closing costs, mortgage principal, etc.
  - 10% is a commonly accepted cost of sale but check with your HFA.

### **Income from Real Estate**

- Verify any rental amount
  - Deduct on-going operating expenses, taxes, insurance, mortgage interest (all must be verified)

### **Assets Do Not Include:**

- Necessary personal property (clothing, furniture, cars, etc. except as noted above).
- Interests in Indian trust land.
- Assets that are part of an active business or farming operation. (Note: rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's main occupation.)
- Term life insurance policies (i.e., where there is no cash value).
- Equity in the cooperative unit in which the family lives.
- Assets that are not accessible to the family and which provide no income for the family (e.g., a battered spouse owns a house with her husband, but because of the domestic situation she receives no income from the asset and cannot convert the asset to cash).
- Assets that are not effectively owned by the family, i.e., when the assets are held in an individual's name, but:
- Asset and income from asset accrue to someone else, and that other person is responsible for paying income taxes on the income generated by the asset.

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**Example:** Assets held pursuant to a power of attorney because one party is not competent to manage the assets.

**Imputed Income:** this is a percentage of the value of family assets based on the current passbook savings rate established by HUD. The rate is currently set at .06%.

“Imputed” means “attributed” or “assigned”.

- Imputing income from assets is “assigning” an amount of income solely for the sake of the annual income calculation.
- The imputed income is not real income.
  - For example, money under a mattress is not earning income. If the money were put in a savings account, it would earn interest.

Imputed income from such an asset is the interest the money could earn if it were put in a savings account.

#### Assets disposed of for less than Fair Market Value

Applicants must declare whether an asset has been disposed of for less than fair market value in the two years before the application. Current residents must state whether assets have been disposed of for less than fair market value in the two years before the recertification.

The amount counted as an asset is the difference between the cash value and the amount actually received.

- Any asset that is disposed of for less than fair market value is counted, including cash gifts as well as property.

**Note:** This rule applies only when the fair market value of all assets given away during the past two years exceeds the gross amount received by more than \$1000.

Once the 24-month period expires, the disposed of amount is no longer counted as an asset and income ceases to be imputed to that amount.

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Assets disposed of for less than fair market value because of foreclosure, bankruptcy, divorce or separation are not counted.

### **Asset Problems**

1. Jack Davis is applying at your property. He owns a home that he intends to sell at some point but has not yet begun the process. The home has a fair market value of \$450,000. It is estimated that the cost of sale will be approximately 10%. Jack owes \$305,000 on the house. What is the cash value of the home?
  
2. A family has a Certificate of Deposit (CD) in the amount of \$10,000 paying interest at 1.8%. The penalty for early withdrawal is two months of interest.

What is the cash value of the CD? \_\_\_\_\_

What is the annual income from the CD? \_\_\_\_\_

3. On a Tax Credit property, it is not usually necessary to verify assets unless the total household assets are above what amount?
  - A. \$500
  - B. \$1,000
  - C. \$5,000
  - D. \$10,000
  
4. In which of the following situations would income be imputed to assets on a tax credit property?
  - A. Total assets are \$4,000 and no actual interest is earned on the asset.
  - B. Total assets are \$5,050 and no interest is earned on the asset.
  - C. Total assets are \$2,000 with interest being earned on the asset.

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- D. Total assets are \$5,000 and the full amount is held as cash.
5. Which of the following may not be deducted from the fair market value of real estate in order to determine cash value?
- A. Broker's Fee
  - B. Lawyers Closing Costs
  - C. Principal Balance on the Mortgage
  - D. Homeowners Association Costs
6. If a resident owns real estate that is being rented, which of the following may be deducted from rental income to determine net income?
- A. Cost of roof installed in previous year.
  - B. Monthly mortgage payment, including principal and interest.
  - C. Property taxes
  - D. Money spent to improve the property.
7. An applicant provides checking account statements that show the following ending balances: Month 1, \$700; Month 2, \$650; Month 3, \$895; Month 4, \$550; Month 5, \$275, Month 6, \$420. What is the value of the checking account?
- A. \$550
  - B. \$650
  - C. \$582
  - D. \$420
8. If the account shown in #7 was a savings account, what would the value be?
- A. \$550

- 
- B. \$650
  - C. \$582
  - D. \$420
9. A retired resident has an IRA with a balance (including interest earned) at the end of the year of \$175,000. The resident earns 2.2% interest on the IRA and takes a monthly distribution of \$1,200 from the IRA. What is the income from the IRA?

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What is the value of the IRA? \_\_\_\_\_

10. Which of the following is an acceptable reason for not counting an asset disposed of for less than fair market value in the prior two years?
- A. The money was given to a church
  - B. The money was given to charity
  - C. The amount disposed of was only \$1,100
  - D. The amount disposed of was part of a separation agreement.

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**Notes:**

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## **SECTION 4**

# Understanding Lease Agreements and Terms

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## **Understanding the Lease Agreement**

The rights and responsibilities of both the landlord and the tenant are spelled out in the lease agreement. The Virginia Residential Landlord and Tenant Act (VRLTA) covers most residential rental agreements, but not all. Some properties and landlords are exempt from the Act. If the lease was prepared in accordance with the VRLTA, it will be stated in the rental agreement. Whether a rental lease agreement is covered by the Act or not, landlords are expected to comply with building and housing codes, make necessary repairs, ensure major systems and appliances are in working order and ensure the dwelling and common areas are safe. Tenants are responsible for keeping the dwelling clean, paying their rent on time, and quickly notifying the landlord about any concerns.

### **VRLTA Landlords and Non-VRLTA Landlords**

Throughout Virginia, local and county governments set regulations for landlords who lease one or more properties within their jurisdiction. Often these rules are limited to building and housing codes. The Virginia Residential Landlord and Tenant Act (VRLTA) is much broader, in that it requires that certain properties and certain landlords must follow laws specifically outlined in the Act. However, there are some exemptions. Some single-family homes are exempt. Although not legally required to do so, some non-VRLTA landlords do follow the laws in full or in part. VRLTA landlords, and non-VRLTA landlords who follow the laws, often include a VRLTA Disclosure within their lease agreement. The disclosure acknowledges that the agreement was prepared in accordance with the VRLTA. All other leases are written at the discretion of the landlord or may be a verbal lease agreement (discussed later in this chapter). All VRLTA lease agreements must be in writing.

### **Verbal Lease Agreements**

In Virginia, verbal lease agreements are legal. However, you should be very cautious when proceeding with, or agreeing to, a verbal agreement. If you decide to agree to a verbal lease, it is very important that you do a walk-through inspection before finalizing the agreement. During

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the walk-through, take pictures and document any areas of concern, especially pre-existing damage. Be sure to make the landlord and/or management company aware (in writing) of any damages. Always keep copies of this documentation for yourself.

### **Month-to-Month Lease**

The month-to-month lease ends at the end of each month and must be renewed monthly. This lease is good for someone who isn't sure how long they're going to be in the area or someone waiting for permanent housing elsewhere. Some disadvantages of the month-to-month lease include:

- The rent can increase monthly
- The wording in the lease may change.
- The landlord may decide not to renew the lease.
- Rates may be significantly higher when leasing month-to-month as a way for the landlord to make the entire profit off the lease, no matter what the term is.

### **Standard Terms of the Lease Agreement**

The lease agreement outlines rules, regulations, rights and responsibilities, as well as policies and procedures. Common sections of a standardized lease agreement include:

**Effective date.** The lease agreement must be signed by all applicants before occupying the dwelling. The date on which the lease is signed is considered the effective date. Signing the lease is often done days before the move-in date. That means the effective date and move-in date can be different. Remember, once you sign it, the lease becomes a legally binding agreement. You could lose all or part of your security deposit if you fail to take possession.

**Parties.** All applicants responsible for the rent and for compliance to the terms of the agreement will be listed in this section. This includes the names of both spouses, co-tenants and co-signers. This section will also list the name of the landlord(s), partnership name and property management company, if applicable.

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**Terms.** The length of the lease will be indicated as a start date and an ending date. The property address may also be included in this section.

**Rent.** The total amount of rent due from the start to ending date is typically indicated in this section, along with the initial rent payment amount, monthly reoccurring amounts and the final payment amount. All other amounts you're expected to pay (other than a security deposit) may be provided in this section as well. This section also provides important information regarding when and how payments are to be submitted. Paying in person, by mail or direct deposit into the landlord's designated account are a few payment options.

**Late fee.** The amount charged when a payment is received after the allowed grace period (specified in the lease). Normally this fee is a percentage of the rent payment, but it also may be a set amount. Paying rent and other charges late can be costly. Rent is typically due on the first of each month with typical grace periods of five days. The lease agreement may specify that any amount not received by 5 p.m. on the fourth day after the due date will be assessed a late fee of 10 percent.

**Security deposit.** This is one of the most important parts of the lease agreement. The amount of security deposit paid up front is found here. In addition, the lease often provides details regarding:

Tenant's breach of lease. The landlord may deduct from the security deposit the amount of any damages to the rental unit. In addition, tenants are not entitled to have the security deposit applied to unpaid rent or late fees during the term of this lease, or to have the last month's rent deducted from the deposit.

Inspections. Landlords can inspect the property during the renter's tenancy. At least 48-hours prior notice is customary. Most leases will have a detailed section regarding maintenance and damages.

**Renters insurance clause.** This clause either suggests or mandates that the tenant buy a renter's insurance policy for the lease term. Renters insurance protects the renter's property

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and provides liability coverage for the renter. It may also reduce the landlord's liability. Where mandated, the tenant would agree to provide the landlord sufficient proof that a policy was purchased.

**Pet clause.** This clause indicates whether the landlord permits pets. If allowed, there may be restrictions such as the type, size and breed. In addition, if pets are allowed, a nonrefundable fee or deposit is often required. Except for qualified service animals, landlords reserve the right to prohibit pets.

### ***Housekeeping***

Just because you don't own the property, doesn't mean you don't have responsibilities for the care of the property. In fact, keeping the rental property in good condition is the shared responsibility of both the tenant and your landlord. Housekeeping is the everyday task of cleaning and organizing. Maintenance is the routine work necessary to keep your rental in good working order. Home maintenance is not optional; it is necessary. Necessary repairs, of course, fix damaged items, but also preserve the usefulness of the dwelling operating systems, appliances, and other components.

## **Tenant's Responsibilities**

Your primary responsibility as the tenant is to perform housekeeping tasks and to:

- Keep the property clean and sanitary.
- Perform routine and other home maintenance as described in the lease agreement.
- Use the operating systems correctly (electrical, plumbing, heating and air conditioning).
- Operate appliances, fixtures and other components correctly.
- Report needed maintenance and repairs promptly

### **Keeping the Property Clean and Sanitary**

While interior and exterior maintenance is often a shared responsibility between landlord and tenant, there are some maintenance tasks that may be the sole responsibility of you as the tenant. Some tasks you are likely to be responsible for include:

- Keeping sidewalk and other common areas clear of personal items, such as children's toys.

- 
- Picking up after pets.
  - Disposing of trash in receptacles provided.
  - Removing debris from the yard.
  - Removing debris from exterior components, such as an air conditioning unit.
  - Complying with the lease agreement and/or codes regarding abandoned and disabled vehicles.
  - Cleaning windows.
  - Dusting ceiling fans and cleaning light globes.

Tenants who are responsible for the payment of any utilities (as outlined in the lease agreement) must pay the service provider on time. Disconnection for non-payment is often a violation of the lease agreement.

### **Landlord's Responsibilities**

The health and safety of the dwelling occupants is the primary responsibility of the landlord. Of course, landlords are not expected to perform housekeeping tasks, but they are expected to carry out routine maintenance and needed repairs. "Habitable conditions" include the interior and exterior of the dwelling.

In an apartment complex the landlord would be expected to perform most, if not all, exterior maintenance. Providing trash receptacles and garbage removal is a responsibility of all landlords who must comply with the Virginia Residential Landlord and Tenant Act (some single-family homes are exempt).

A dwelling's standard operating systems include electricity, plumbing and heating. Landlords are required to provide adequate ventilation, but not necessarily an air conditioning unit or central air.

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**Notes:**

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## **SECTION 5**

# Rental Delinquencies and Noncompliant Strategies

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## Reasons for Rental Delinquencies

### **Main Reasons for Rental Delinquencies**

1. Non-payment of Rent
2. Failure to comply with the Lease Agreement
3. Lack of Communication

### **Non-Payment of Rent**

When a Tenant fails to pay their monthly rent, they are subject to the following

Procedures:

1. Five Day Quit Notice
2. Court Filing and Hearing Proceeding
3. Writ of Possession

### **Five Day Quit Notice**

- Virginia landlords can give tenants a “pay or quit” notice.
- This notice allows the tenant five days to pay any late rent and associated fees or face the continuation of the eviction process in Virginia.
- If the tenant pays their rent within the five- day notice period, their tenancy will legally continue as if nothing has happened.

### **21/30 Notice**

- If the tenant has violated a provision of the lease, they will be given a different notice. The notice period on this type of notice is known as a “21/30” notice.
- Example: let’s say the tenant has a pet in a building that does not allow pets. The landlord serves the tenant with a 21/30 notice on the 1<sup>st</sup> of March. They will have 21 days to rehome the pet. If they do not rehome the pet by March 22<sup>nd</sup>, their tenancy will end 30 days after the initial notice or March 31<sup>st</sup>.
- It is much easier to negotiate with the landlord in this phase of the eviction process in Virginia rather than in later phases. Waiting until court papers have been filed makes it more expensive and difficult to negotiate.

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### **Court Filing and Hearing Proceeding**

- If a tenant does not vacate during the notice period and fail to resolve any issues within the time period allotted, the landlord will go to the district courthouse and file an “unlawful detainer” lawsuit
- This is the technical name for an eviction suit in the state of Virginia
- The tenant will be served with a copy of the landlord’s complaint, which specifies why they are being evicted, and a copy of the summons, which tells when the eviction hearing will be.
- A tenant is not required to attend the evictions hearing, but if they fail to appear, the landlord will win the cause automatically
- The tenant may be able to win at an eviction hearing if the landlord has behaved improperly by violating the lease, discriminating against the tenant, or serving the tenant with improper notice.
- Tenants are advised to talk to a lawyer experienced in the eviction process in Virginia to better understand their rights and options

### **Writ of Possession**

- If the landlord wins the hearing (or if the tenant fails to appear), a court order will be granted which specifies the date in which the tenant must move
- If the tenant fails to vacate the premises by that date, a writ of possession will be granted to the landlord
- This writ, the final court document in the eviction process in Virginia, will be posted on the property to notify the tenant they have only 72 hours to leave or face forcible removal by the sheriff.
- If they are removed by the sheriff, they will only have 24 hours to call the sheriff’s department and reclaim their belonging before they are considered abandoned property which can be sold or destroyed.
- See more at: <http://foreclosure.laws.com/evictionprocess-in-virginia#sthash.dx187dc5.dpuf>

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## **Failure to Comply with Lease Agreement**

Advise clients to:

- Keep rented space and plumbing as clean and safe as conditions permit
- Use all utilities and appliances reasonably
- Get rid of trash
- Do not destroy or damage the property, or allow household members or guest to do so
- Do not disturb your neighbors, or allow household members or guest to do so
- Follow the lease and reasonable rules of your landlord
- Additional items may be added if properly agreed upon

## **Lack of Communication**

**Question:** Is the tenant communicating with me?

- Communication is one of the most important factors landlords use in deciding whether or not to work with a delinquent tenant
- If a landlord cannot get in touch with a client who refuses to return calls, they are more likely to take on an “I am not going to waste my time” attitude and immediately move forward with an eviction
- Once a tenant understands that it’s in his/her best interests to communicate with the landlord, they often return calls promptly.

**Question:** Is the tenant doing what he/she said they would do?

- Perhaps one of the most important tests of whether or not to continue working with the tenant is one of follow through

Example: If a landlord agrees to accept a late rent payment, it is very important that the tenant follow through with this agreement. If a tenant tells the landlord that the entire rent (plus late payment) will be paid on the 15<sup>th</sup> of the month, but instead delivers only half of the payment, it is very likely that the landlord will start eviction proceedings.

## **Considerations**

**Question:** What kind of track record does this tenant have with the Landlord?

- 
- If the tenant is new to the property with no prior history, chances are the landlord is going to be more aggressive in their actions
  - It is the landlord's belief that it is important to set a precedent early by sending a message to the tenant that paying rent late is not going to be tolerated
  - If the tenant has a good payment history with the landlord, they may be more lenient if they believe it is an irregular occurrence

**Question:** Is this a one-time occurrence or is their current financial situation such that this is likely to be an ongoing problem?

- When the landlord communicates with the tenant, they may find that there is a significant material change to the tenant's financial situation (i.e lost job, uncollected job support, separation, etc.)
- From a landlord's perspective, it may appear that the tenant is going to have a hard time affording rent going forward, it may be the landlord's belief that it is best to begin working with the tenant towards an amicable move out

**Question:** Will the tenant be able to get caught up quickly or will this deficit be carried into the foreseeable future?

- Is it a reality that most of the members of society lives paycheck to paycheck. Unforeseen financial hardships may present challenges to paying timely rent.
- With this kind of tenant, it could mean that accepting the rent late this month typically means that the rent will be late next month as well.
- This is one reason why it may be a good idea to ask the tenant exactly how they are going to get caught up, when they will have money, and where the money is going to come from.

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## **Non-Compliance Notices**

A non-compliance in terms of rental property can be described as any term of violation to the lease/ contract. The most common non-compliance notice is the 5 day pay or quit, which is issued to tenants who are facing eviction due to non-payment of rent. Although this is the most common, this is not the only type or reason a tenant may receive a non-compliance notice. Tenants may receive a 21- day non-compliance notice and or a 21/30 non-compliance for any violation such as but not limited to noise complaints, unauthorized occupants, not disposing of trash properly, changing the locks without permission, not having utilities turned on and or maintenance related issues.

**Thirty Day Notice to Cure-** A 21- day non-compliance notice also known as a 21/30, the property owner will mail (in some cases certified mail is required) and also may hand deliver a written notice to the tenant. Within the notice, the property owner must explain specifically the violation with as much detail as possible and also must reference the section of the specific rule or regulation that is being violated per the lease agreement/contract.

The property owner also must explain the remedy to the correct the issue, providing the tenant with 21 days (date clearly specified) to make the corrections. In the case the issue is not corrected, the property owner must also express in the letter, that in 30 days (date clearly specified) that they will proceed with legal action, including suing for damages and or eviction. (see Va. Code Ann. § 55-248.31).

**Thirty-Day Unconditional Quit Notice:** If the tenant violates the lease or rental agreement and the violation cannot be remedied (such as causing harm to other tenants or causing major damage to the rental unit), then the property owner can give the tenant a 30-day unconditional quit notice. This notice will inform the tenant that the tenant must move at the end of the 30-day period or the property owner will file an eviction lawsuit against the tenant (see Va. Code Ann. § 55-248.31).

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**No notice necessary:** The property owner is not required to give the tenant any kind of notice if the tenant commits a criminal act that is not remediable and threatens the health and safety of the premises and/or other tenants. This includes any illegal drug activity. The property owner can go straight to court and file an eviction lawsuit against the tenant (see Va. Code Ann. § 55-248.31).

### **Five-Day Notice to Pay Rent or Quit**

When a landlord discovers that a tenant has failed to comply with the lease by failing to pay rent, fees or damages, the landlord should first issue a written notice (a “5 day pay or quit”) stating specifically what is owed. The 5-day pay or quit should have an amount for each category of amounts owed and the time period. The landlord will file an eviction action in court unless the tenant either voluntarily moves out or pays rent within 5 days. The legal eviction process in Virginia is called an unlawful detainer action. In order to legally evict a tenant, the property owner or representative of the property management company file a lawsuit, usually the General District Court for the city or county in which the property is located. The property owner usually fills out an unlawful detainer form and pays the court to serve the tenant with a “Summons for Unlawful Detainer.” The tenant is summoned to court within 2 to 3 weeks. The summons will describe what the property owner is seeking, including past due rent, late fees, attorney’s fees, court costs, and possession of the unit (meaning the property owners wants the tenant to leave).

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**Notes:**

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## **SECTION 6**

### Introduction to Fair Housing



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## **Introduction to Fair Housing**

### **I. Civil Rights Roots**

- a. The 1968 federal Fair Housing Act is a civil rights law and has dual purpose: to eliminate housing discrimination and to promote residential integration.
- b. At the urging of President Johnson, Congress passed the Act exactly one week after assassination of Rev. Dr. Martin Luther King, Jr., who had made housing equality part of the 1960s civil rights struggle. The Act initially protected race, color, religion, and national origin; the Act was later amended to add sex, familial status, and handicap.
- c. First fair housing case to the Supreme Court: *Trafficante v. Metropolitan Life Insurance Co.*, 409 U.S. 205 (1972)
  - In a unanimous decision, the Court interpreted “aggrieved persons” broadly and held that White persons denied the right to live in an integrated setting because of discrimination against African Americans had standing under the Act. Integration is still at the heart of the fair housing laws.

### **II. The Fair Housing Laws**

- a. **Federal Fair Housing Amendments Act of 1988** (Title VIII of Civil Rights Act of 1968; 42 U.S.C 3601 *et seq.*)
  - The FHAA prohibits discrimination in sale, rental, finance, or insurance of any covered dwelling, as well as residential zoning and the provision of other services to residential communities (utilities, etc.) on the basis of membership in 7 protected classes: race, color, national origin, religion, sex [gender], familial status, and handicap [disability].
    - A HUD rule amending several sections of 24 CFR issued in March 2012 also protects individuals and families based on sexual orientation or gender identity in HUD-financed and HUD-insured programs as well as FHA-backed loans.

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- Main exemptions:
    - Private individual with 3 or fewer single-family dwellings as long as s/he does not use a real estate professional for transaction and does not advertise in discriminatory way.
    - Owner-occupied multifamily building with no more than 4 units (“Mrs. Murphy”).
    - Religious organizations and private clubs.
    - Housing for Older Persons (applies to familial status discrimination only; must meet certain requirements for age verification and marketing).

b. **Virginia Fair Housing Law** (Code of Virginia 36-96.1 *et seq.*)

- Same protected classes as FHAA + elderliness (individual who has attained her/her 55<sup>th</sup> birthday); same exemptions as FHAA.
- HUD considers the VFHL “substantially equivalent” to the federal FHAA. The Virginia Fair Housing office has been certified by HUD to receive complaints of housing discrimination; HUD determined that the VFHL provides substantive rights, procedures, remedies, and judicial review provisions that are substantially equivalent to those provided under the federal FHAA.

c. **Civil Rights Act of 1866**

- Passed during Reconstruction, the Civil Rights Act of 1866 protects race and color: All citizens have right to inherit, purchase, lease, sell, hold, and convey real property.
- No exemptions here—can be useful in pursuing claims against housing providers who might otherwise be exempt under FHAA.

d. **Title VI of the Civil Rights Act of 1964**

- Applies to recipients of federal financial assistance (race, national origin).

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e. **Section 504 of the Rehabilitation Act of 1973**

- Applies to all programs and activities of recipients of federal financial assistance (PHAs, etc.) and applies in addition to the FHAA. Section 504 requires covered housing providers to pay for structural changes for the person with a disability (504 calls this a “reasonable accommodation” or “adjustment”). Structural changes can include grab bars, ramps, wider doorways, etc. Note that 504 applies to policies as well; e.g. separate waiting list for accessible units.
- HUD’s regulations cover project-based Section 8, CDBG, HOPE VI, public housing and other HUD-funded housing. Tax credits are not considered federal financial assistance. Housing providers who accept housing choice vouchers are not covered by 504.

f. **Americans with Disabilities Act (sometimes)**

- Title II applies to housing operated by state or local governments.
- Title III applies to public accommodations, including rental offices—but not the housing itself.

### **III. The Basics**

- a. “Dwellings” covered by the fair housing laws include any buildings or structures occupied as, or intended for occupancy as, a residence for one or more families (42 U.S.C. 3602(b); Va. Code 36-96.1; 24 CFR 100.20).
  - i. Broad interpretation; can include homeless shelters, dormitories; interpretation usually hinges on length of stay and whether individual views the structure as his/her permanent residence
- b. “Aggrieved persons” can be anyone injured by discriminatory housing practice or anyone who believes that injury is about to occur; this can include individuals, household members, neighbors, real estate agents, and fair housing organizations

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- (42 U.S.C. 3602(i); VA Code. 36-96.1; 24 CFR 103.9).
- i. Aggrieved persons may file complaints; in addition, HUD or VFHO may file complaints (18 VAC 135-50-310; 24 CFR 103.9).
  - c. Respondents [defendants] can include any person who directs or controls the conduct of another person with respect to any aspect of a covered housing transaction. Can include landlords, real estate agents & brokers, property managers, maintenance staff, loan officers, etc. (18 VAC 135-50-320).
  - d. Can file administrative complaints through HUD or VFHO (one year statute of limitations) or in court.
    - i. Private right of action in Virginia: Va. Code 36-96.18(B).

#### **IV. Discriminatory housing practices**

- a. Refusal to rent, sell, or negotiate after making of a bona fide offer (18 VAC 135-50-80) – includes more than just outright refusal.
  - i. Imposing different rental charges for a dwelling because of membership in a protected class.
  - ii. Using different qualification criteria or applications (such as income standards, application requirements, application fees, credit analysis, etc.) because of membership in a protected class.
  - iii. Evicting tenants because of their membership in a protected class or members of tenant's guest in a protected class.
- b. Terms and conditions of sale/rental or in provision of services (18 VAC 135-50-90).
  - i. Using different provisions in leases, e.g. security deposits, terms of the lease.
  - ii. Delaying maintenance or repairs to the dwelling.
  - iii. Failing to process an offer to rental or purchase
  - iv. Could include restrictive occupancy standards; see HUD "Keating Memo" (1991)

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- c. Advertising and statements
    - i. Exemptions in 36-96.2 DO NOT apply here.
    - ii. Unlawful to “make, print, or publish...any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination” based on the protected classes.
      - Words/symbols associated with particular religion, national origin, gender, or race shall be *prima facie* evidence of an illegal preference and cannot be overcome by a general disclaimer (but reference alone to places of worship shall not be *prima facie* evidence of illegal preference).
      - Includes oral statements and internet advertisements.
    - iii. The HUD Achtenberg Memo: (1995)
      - Specific guidance about words, phrases, and symbols that amount to discrimination in advertising.
  - d. Falsely represent availability (18 VAC 135-50-12)
    - Stating that dwelling has already been sold or rented.
    - Enforcing restrictive covenants.
    - Failing to provide information about all available units that meet a prospective renters’ price point.
  - e. This list is not exhaustive—the fair housing laws also apply to lending, brokering, insurance, and zoning.

## V. **Disability Protections:** 42 U.S.C. 3602(h); Va. Code 36-96.3(B)

- a. These are special protections for individuals with disabilities in addition to other enumerated discriminatory practices.
- b. “Handicap” is defined as a physical OR mental impairment which substantially limits one or more major life activities, a record of having such impairment, or being regarded as having such impairment.

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- Does not include substance abuse or addiction to controlled substance.
- c. Definition of disability
- The physical/mental ailment, problem, illness, etc., and/or the existence of a medical diagnosis is not the issue—the issue is how the disability affects person's ability to complete daily activities.
  - Housing provider should not ask the label of the disability; this can be a separate violation (24 CFR 100.202(c)).
- d. Reasonable Accommodations and Reasonable Modifications (Va. Code 36-96.3(B) 42 U.S.C. 3604(F) (3)); See HUD/DOJ Joint Memoranda.
- Housing providers are required to make certain accommodations to rules/policies and to allow, at tenant's cost, certain modifications to structure so that individual with disability has equal enjoyment and use of the dwelling.
    - i. Response to an accommodation may not be conditioned.
  - Common RAs: waiving “no animals” policy for service animal; assignment of permanent accessible parking space; allowing tenant to pay rent on a different day of the month due to SSI/SSDI payment schedule; allowing for caregiver in the unit.
  - Common RM: installation of grab bars; wider doorways; installation of A/C unit.
  - Typical violations
    - i. Denial.
    - ii. Unreasonable delay in response to request for RA/RM.
    - iii. Conditioning an accommodating on a fee.
    - iv. Requiring medical documentation before considering an accommodation when the disability or the accommodation is obvious.
    - v. Failing to engage in an interactive process when an accommodation is denied.

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- Seven Access Requirements under Design & Construction law
    - i. Accessible building entrance on an accessible route.
    - ii. Accessible and usable public and common areas
    - iii. Usable doors.
    - iv. Accessible routes into and through each covered unit.
    - v. Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations.
    - vi. Reinforced wall in bathrooms for later installation of grab bars.
    - vii. Usable kitchens and baths.

**Ask yourself: is this a fair housing issue?**

- Does the complainant fall into a protected class?
- Does the fact situation fall under the purview of the fair housing laws?
- Did the event occur within the SOL or might it be a continuing violation?
- Is anyone else (other tenants, other prospective borrowers, etc.) have a similar problem?
- Does the client want the unit? Is s/he ready, willing, and able to obtain the unit?
- Who else is in the client's household (possible additional complainants)?
- Is the disability documented?
  - Narrow down *whether* and *how* the disability affects daily life activities.
  - Ask about person's history of having a disability and how people perceive the person.
- How does housing provider know about disability?
  - Observation.
  - Information or documentation provided by complainant.
  - Complainant's source of income (SSI, SSDI, etc.).

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### **Conclusion**

Housing Counselors should be familiar with the fair housing act and have a positive working relationship with the fair housing organization in their area of work. Housing Opportunities Made Equal of Virginia provides fair housing service Statewide and can assist housing counselors and their clients in determining fair housing violations. Counselors can contact HOME at 804-354-0641 or online at [www.phonehome.org](http://www.phonehome.org). In the Charlottesville area, counselors can contact Piedmont Housing Alliance at 434-817-2436 or online at [www.piedmonthousing.org](http://www.piedmonthousing.org).

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**Notes:**

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# **CHAPTER 7**

## **Reasonable Accommodations & Modifications**

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## **Our Discussion**

- Basic concepts of reasonable accommodations and modifications under the Fair Housing Act
- Accommodations and modifications under other disability rights laws
- Who is a person with a disability?
- The requirements of accommodations and modifications
- Typical accommodations
- Typical modification

## **What is Prohibited?**

**In the sale and rental of housing, no one may take any of the following actions**

**based on handicap:**

- Refusing to rent or selling housing;
- Refuse to negotiate for housing;
- Make housing unavailable;
- Deny a dwelling;
- Set different terms, conditions or privileges for sale or rental of a dwelling;
- Provide different housing services of facilities;
- Falsely deny that housing is available for inspection, sale, or rent
- For profit, persuade owners to sell or rent (blockbusting); or
- Deny anyone access to or membership in a facility or service (such as multiple listing service) related to the sale or rental of housing

**No one may take any of the following actions based on handicap:**

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property

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- Refuse to purchase a loan
  - Set different terms or conditions for purchasing a loan

### **Insurance Cases**

**In addition, it is illegal for anyone to:**

- ♣ Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right. 42 U.S.C.
- ♣ Advertise or make any statement that indicates limitation or preference based on handicap.  
42 U.S.C 3604 (c)

*\*This prohibition against discriminatory advertising applies to single-family and owner-occupied housing.*

A landlord may not:

- » Refuse to let a disabled person make reasonable modifications to a dwelling or common use areas, at his/her expense, if necessary, for the disabled person to use the housing.
- » Refuse to make reasonable accommodations in rules, policies, practices or services if those accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

### **Undue Burden**

FACTORS:

- The financial resources of the provider,
- the cost of the RA,
- the benefits to the requester of the requested accommodation,
- and the availability of other, less expensive alt. accommodations that would effectively meet the applicant or resident's disability-related needs.

*\*Courts have ruled that the Act may require a housing provider to grant a reasonable accommodation that involves costs. \*This is determined on a case by case basis.*

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### **Examples of Reasonable Accommodations**

- Parking Spaces
- Motorized Scooters

### **Proof Required for R.A.**

1. Person has a disability.
2. Respondent knew or should reasonably be expected to have known of this disability.
3. Accommodation of the disability “may be necessary” to afford Complainant an equal opportunity to use and enjoy the housing.
4. Respondent refused to make such an accommodation.

### **Element One How Is Disability Defined?**

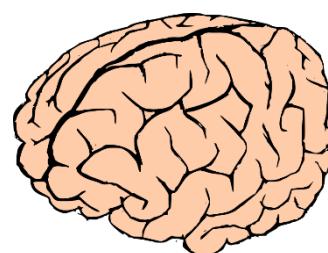
- Any person who has a physical disability or mental impairment that substantially limits one or more major life activities;
- Or has a record of such an impairment;
- Or is regarded as having an impairment

### **Physical Impairment**

- Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine

### **Mental Impairment**

- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.



### **Examples of Impairments Which May Result in Disability**

- Visual, speech, & hearing impairments

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- Cerebral palsy
  - Autism
  - Epilepsy
  - Muscular dystrophy
  - Multiple sclerosis
  - Cancer
  - Heart disease
  - Diabetes
  - HIV infection
  - Drug addiction (other than addiction caused by current, illegal use of a controlled substance)
  - Alcoholism

### **Major Life Activities**

Seeing • Hearing • Breathing • Walking • Performing manual tasks\* • Caring for one's self • Learning • Speaking • Working—broad class of jobs

### **Permanence**

- The impairment must be long-term, permanent, or indefinite to be considered a disability under the “substantially limits a major life activity” prong.

### **Manual Tasks**

- Toyota Motor Manufacturing, Kentucky, Inc. v. Williams, 534 U.S. 184 (2002) (holding that to be substantially limited in performing manual tasks, an individual must have an impairment that prevents or severely restricts the individual from doing activities that are of central importance to most people’s daily lives, and not just limited in performing manual tasks associated with a specific job).

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## **Element Two Knew or Should Have Known**

- Jankowski Lee & Associates v. HUD, 91 F.3d 891 (7th Cir. 1996)
  - Court rejected landlord's defense that the plaintiff's disability was not apparent and found that the landlord did not ask for verification of his disability.
- If a housing provider has doubts as to a complainant's disability, the landlord should open a dialogue or make an inquiry.



## **Element 3 Necessity (Think "Nexus")**

- Requires, at a minimum, the showing that the desired accommodation will affirmatively ameliorate the effects of the disability
- Example: Deaf tenant who wants a waiver to the landlord's "no pets" policy for an assistance dog would need to show that the dog was trained to assist them in their daily

## **How Should the RA be Made?**

- Can be orally or in writing
- Only requirement: makes clear to the housing provider that s/he is requesting an exception, change, or adjustment to a rule, policy, practice, or service because of her disability
- Doesn't have to be on a special form or process— housing provider must still give RA request adequate consideration activities
- Doesn't have to be made personally
- Doesn't need to mention any magic words, like "FHA or RA".

## **Inquiries**

- A HP is entitled to obtain info that is necessary to evaluate if a requested RA may be necessary because of a disability.
- A HP may not ordinarily inquire as to the nature and severity of an individual's disability.
- However, in response to a request for a RA, a HP may request reliable disability-related info that: 1. is necessary to verify that the person meets the Act's definition of disability, 2.

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describes the needed RA, and 3. shows the relationship b/w the person's disability & the need for the RA.

If disability is obvious or known, and if the need for the RA is also obvious or known, then no request for add'l info about disability or need for the accommodation.

**EXAMPLE:** A tenant w/ an obvious mobility impairment who regularly uses a walker asks her HP to assign her a parking space near the entrance to the building. Since the physical disability (i.e., difficulty walking) and the disability-related need for the RA are both readily apparent, the HP may not require the tenant to provide any add'l info about her disability or the need for the RA.

If the disability is known or readily apparent, but the need for the RA is unknown, the provider may request only info that is necessary to evaluate the disability-related need for the accommodation.

**EXAMPLE:** A rental applicant who uses a wheelchair advises a housing provider that he wishes to keep an assistance dog in his unit even though the provider has a "no pets" policy. The applicant's disability is readily apparent, but the need for an assistance animal is not obvious to the provider. The housing provider may ask the applicant to provide info about the disability-related need for the dog.

### **Inquiries Disability Unknown**

- Information verifying the person's disability can usually be provided by the individual himself (e.g., proof that an individual under 65 years of age receives Supplemental Security Income or Social Security Disability Insurance benefits or a credible statement by the individual).
- A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in the position to know about the individual's disability may also provide verification of a disability.

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- In most cases, an individual's medical records or detailed info about the nature of a person's disability is not necessary for this inquiry.
  - Once a housing provider has established that a person meets the Act's definition of disability, the provider's request for documentation should seek only the info that is necessary to evaluate if the RA is needed because of a disability.

### **Inquires- Disability Unknown**

- Information verifying the person's disability can usually be provided by the individual himself (e.g., proof that an individual under 65 years of age receives Supplemental Security Income or Social Security Disability Insurance benefits or a credible statement by the individual).
- A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may also provide verification of a disability.
- In most cases, an individual's medical records or detailed info about the nature of a person's disability is not necessary for this inquiry.
- Once a housing provider has established that a person meets the Act's definition of disability, the provider's request for documentation should seek only the info that is necessary to evaluate if the RA is needed because of a disability.

### **Can I deny a request for a RA?**

- YES – if the request is not made by or on behalf of a person with a disability – if there is no disability related need for the accommodation. – if providing the accommodation is not reasonable – AN UNDUE FINANCIAL and ADMINISTRATIVE BURDEN

*\*If there will be a denial, you should discuss alternative accommodations.*

### **Reasonable Modification**

- At disabled person's expense
- Disabled person must inform the landlord of the intent to modify before the modification is made.

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- For a rental, where reasonable, landlord may condition permission on renter's agreement to restore interior of premises to original condition. – Reasonable to request removal of grab bars. – Unreasonable to request narrowing of doorway b/c it will not interfere with next tenant's use and enjoyment of the premises.
  - Landlord may NOT:
    - increase the customary security deposit;
    - Require restoration of exterior areas, including community areas.
  - Landlord MAY:
    - negotiate as part of the restoration agreement, that the tenant pay money into escrow for reasonable restoration;
    - Request a reasonable description of the proposed modifications;
    - Request reasonable assurances that the work will be done in a workmanlike manner and that any required building permits will be obtained.

### **Units Covered by the Design and Construction Requirements**

The design and construction requirements apply to “covered multifamily dwellings” designed and constructed for first occupancy after March 13, 1991.



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#### **“Covered multifamily dwellings” include:**

- All dwelling units in buildings containing four or more units, with an elevator
- All ground floor units in buildings containing four or more units, without an elevator.

### **Scoping Parameters of the Design and Construction Requirements**

#### **What is Covered**

- » Housing in buildings with four or more units
- » Constructed for first occupancy after March 13, 1991
- » In elevator buildings, all units are covered
- » In buildings without an elevator, only ground floor units are covered. What is Not Covered
- » Detached single family houses

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- » Duplexes or triplexes
  - » Multistory townhouses without elevators

### **Reasonable Accommodation Requirements**

- Reasonable accommodations are changes to usual policies, rules, practices, or services
  - That may be needed by a person with a disability
  - In order to benefit from housing
  - Because of the disability
- Reasonable accommodation requirements apply to builders, developers, property managers, homeowners associations, and others engaged in housing related activities
- Reasonable accommodations are paid for by the entity providing housing or housing services

### **Reasonable Modification Requirements**

- Reasonable modifications are structural changes to housing
  - That may be needed by a person with a disability – In order to benefit from the housing
  - Because of the disability
- Reasonable modification requirements apply to builders, developers, property managers, homeowners' associations and others engaged in housing related activities
- Reasonable modifications are paid for by the person with a disability, unless federal funding is involved.

### **Accommodations and Modifications: What are the Differences?**

**SAME:** • Must be needed by a person with a disability because of the disability • Must be reasonable • Apply to builders, developers and architects as well as property managers

**DIFFERENT:** • Reasonable accommodations apply to policies, rules, procedures and services while reasonable modifications apply to structural changes • The entity providing housing pays for accommodation; the person with a disability pays for modification

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## **Support Animals**

- Support animal deposit issue
  - support animal = auxiliary aid
- There is no required training or certification for an animal to be considered a support animal.
  - The animal can be trained by its owner.
- Support animals include
  - Service – Emotional Support

## **Direct Threat**

- The Act does not allow for exclusion of individuals based upon fear, speculation, or stereotype about a particular disability or persons with disabilities in general.
- The assessment must consider:
  - (1) the nature, duration, and severity of the risk of injury;
  - (2) the probability that injury will actually occur; and
  - (3) whether there are any RA that will eliminate the direct threat.

## **Typical Modifications**

- Accessible entrance at a unit entrance
  - Key issues include:
    - » Accessible path
    - » Landing
    - » Step and threshold at doorway
    - » Width of door entrance
- Accessible route to the entrance



## **Unit Entrance**

- Entrance landing
- Threshold/step at door
- Width of door
- Door hardware

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### **Modifications in Exterior Common Use Areas**

- Gates and latches
- Swimming pool access
- Paths to beaches and recreational areas
- Playgrounds

### **Modifications in Interior Common Use Areas**

- Rental or sales office access
- Elevators

### **Modifications Inside Unit**

- Grab bar installation
- Roll-in showers

### **Internet Resources**

- Bazelon Center for Mental Health Law: [www.bazelon.org](http://www.bazelon.org)
- U.S. Department of Housing and Urban Development: [www.hud.gov](http://www.hud.gov)
- The Housing Enforcement Office of the Civil Rights Division of the U.S. Department of Justice: [www.usdoj.gov](http://www.usdoj.gov)

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**Notes:**

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# **CHAPTER 8**

## **The Landlord Tenant Act**



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## **Landlord/Tenant Counseling**

Housing counselors play an important role in guiding and advising clients who are experiencing problems with their landlords. Landlord and tenant problems are one of the most common rental counseling subjects, and it is imperative that housing counselors are well-versed in the basics of landlord/tenant law in Virginia. Appropriate counseling to clients throughout their tenancies can often prevent problems with landlords or help to stop problems from becoming larger and resulting in negative situations such as eviction.

While housing counselors should refrain from providing legal advice, they can provide a wealth of information and referrals to tenants who find themselves in crisis. This section covers the basics of residential landlord/tenant law in Virginia and covers some of the most common landlord/tenant problems housing counselors may encounter. Counselors should be familiar with the basics of the law in order to recognize potential problems and refer clients to seek legal solutions.

### **Virginia Residential Landlord and Tenant Act**

Almost all rental transactions in Virginia are covered by the Virginia Residential Landlord and Tenant Act (VRLTA), which sets out certain rights and responsibilities for both landlords and tenants. As of July 1, 2017, the VRLTA applies to tenants unless two things are true: (i) the landlord is a natural person, an estate, or a legal entity that owns no more than two single-family residential dwelling units in its own name subject to a rental agreement, and (ii) the landlord opts out of the VRLTA by so stating in a rental agreement with a tenant. In these cases, the tenant is covered by the older Virginia Landlord and Tenant Law, which is almost identical to the VRLTA. Both laws apply to hotels, motels, and boarding houses if a tenant lives in such a residence for more than 90 days or is subject to a written lease of more than 90 days. A copy of the VRLTA follows this section.

Housing counselors should be familiar with the tenant protections offered under the Virginia law, but should always refer clients to a lawyer or legal services agency for legal disputes with

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landlords. In all situations under Virginia law, the tenant basic rights including the right not to be evicted without prior written notice, the proper filing of an eviction lawsuit by the landlord, and a valid court order. Further, clients who rent parcels of land on which to place a manufactured home in a mobile home park where 5 or more lots are rented out are covered by the Virginia Manufactured Home Lot Rental Act, a copy of which follows this section.

Below is a discussion of some of the most common landlord/tenant problems housing counselors may encounter. This manual does not take the place of a thorough reading of the Virginia Residential Landlord and Tenant Act. For legal advice, clients should seek an attorney.

#### **A. Application Fees and Deposits**

Under the VRLTA, landlords may require application fees that are separate from any application deposits or security deposits. Counselors should advise clients to set aside money for various fees and deposits prior to the search for rental housing. Typically application fees are assessed in order to cover the cost of processing the application, including background checks and/or credit checks, and they are not required to be refunded.

Application deposits are paid in order to hold a unit for a tenant. If a landlord charges an application deposit and the prospective tenant does not eventually rent the unit, then the landlord should refund the deposit amount (minus the amount of the landlord's actual expenses) within 20 days of the rejection of the application or the tenant's failure to take the unit. In situations where the landlord rejected the application and the applicant paid the fee with cash, certified check, cashier's check, or money order, the landlord should return the deposit within 10 days.

#### **B. Security Deposits**

Housing counselors will often encounter clients who feel their security deposits are too expensive or allege that they deserve a refund of a security deposit at the end of a tenancy. In Virginia, landlords may charge a security deposit that is no greater than two times the amount

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of monthly rent. For instance, if a client's monthly rent is \$600, the landlord may charge no more than \$1,200 for the security deposit. These deposits are meant to cover any damages to the unit, beyond reasonable wear and tear, during the tenancy. There are specific rules which govern how and when a security deposit must be returned to a tenant. Landlords may also charge separate pet fees or pet rent to cover any potential damage caused by animals in the unit.

When a tenancy ends, a landlord may apply security deposits to late rent or fees, to damages in the unit beyond reasonable wear and tear, and to other damages specified in the lease. The charges against the security deposit must be itemized and provided in written form to the tenant within 45 days of the end of the tenancy. If there is a refund due to the tenant, this amount must be provided to the tenant along with the itemized written notice within the 45-day window.

Many tenants need counseling about how to recover a security deposit that they believe is owed to them. In these situations, the client must go through a court process called a *warrant in debt* to recover the amount due, and it is best to refer the client to an attorney.

### **C. Access to the Rental Unit**

In most cases under the VRLTA, a landlord should provide 24 hours' notice before he or she enters a unit, and a landlord should enter a rental unit only for legitimate reasons such as making repairs, inspecting the unit, or showing the unit to prospective tenants or purchasers. Tenants should not unreasonably withhold consent to the landlord entering the unit. Landlords are not required to provide notice to the tenant in cases of emergencies or where it is otherwise impractical to do so; however, landlords should not abuse this right of access or use it to harass tenants. Further, a landlord is not required to provide notice of entry if the tenant has already made a request for maintenance.

Tenants should never change locks without approval from the landlord. When tenants change locks with permission, they must provide the landlord with new keys.

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#### **D. Maintenance of the Rental Dwelling**

The responsibility for keeping rental unit safe, clean, and habitable lies jointly with the landlord and the tenant.

Landlords must ensure that premises comply with building and fire codes affecting health and safety and generally bear responsibility for repairs to the unit. Landlords must keep and maintain the premises in a fit and habitable condition. Landlords must keep electrical, plumbing, sewage and HVAC systems in good working order. In addition, landlords must ensure that common areas are clean and safe and must provide trash bins and other receptacles in common areas for removal of garbage and waste.

Landlords must also provide running water and reasonable amounts of hot water at all times. Heat should be provided in winter months. If the unit has air conditioning, the landlord must ensure this is operational. If the heat, A/C and water are supplied directly by the utility company to the tenant, then the landlord does not have these responsibilities; however, the landlord must ensure that utility hookups are working properly. A landlord may not disrupt any utility service as a way of attempting to evict a tenant.

Tenants also have responsibilities for maintenance of rental units. Tenants should ensure that they are following health and fire codes and should not create fire hazards in the dwelling and should never tamper with or remove smoke detectors or carbon monoxide detectors. Further, tenants should not create conditions that would attract pests such as ants, roaches, or rodents, such as leaving food uncovered. Tenants must regularly take out trash and rubbish and deposit it in the receptacles provided by the landlords.

Tenants must use electrical, plumbing, sewage, and HVAC systems in a reasonable manner and ensure that plumbing fixtures are clean. Some landlords will prefer that tenants take on responsibility for maintenance of certain items in the unit and will include these responsibilities

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in the lease. It is very important for the client to fully read and understand the lease before agreeing to it.

In order to prevent mold, tenants must keep the unit free from moisture that would cause the growth of mold, and the tenant must notify the landlord promptly if mold is discovered.

Tenants should not paint walls or make other alterations unless the landlord has provided approval in writing.

#### **E. Mold**

Mold is a common problem, and both landlords and tenants have a responsibility to prevent the growth of mold. This includes promptly repairing any problems which could cause the accumulation of moisture inside the rental unit.

During the initial inspection of the unit, the landlord must disclose in writing whether there is any visible evidence of mold inside the dwelling. If this written disclosure states that there is visible evidence of mold, then the tenant has the option of terminating the tenancy immediately or staying. If the tenant chooses to stay in the dwelling, the landlord must remediate the mold within five days. During the course of the tenancy, the tenant has an obligation to notify the landlord in writing if any visible evidence of mold is discovered, and the landlord must promptly respond and remediate the mold growth.

#### **F. Repairs**

Sometimes a housing counselor may encounter a tenant whose landlord is not making repairs in the tenant's unit. It is important to always advise a tenant that they must notify the landlord of needed repairs in writing, even if the tenant has spoken with the landlord about the matter. The letter should have the landlord's name and complete address, the tenant's name and complete address, and be signed and dated. The letter should list all poor housing conditions, what needs to be done, and by when. The letter usually should request repairs in

The housing counselor should also advise the tenant that he or she may never withhold rent because a landlord is not making repairs. Nonpayment of rent, no matter the reason, can lead to an eviction action against the tenant.

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21 days but can be shorter if conditions are a threat to health or safety. Housing counselors should ensure that the client keeps a copy of the letter. The letter should be sent by first class mail, and also can be sent by certified mail, return receipt requested, so there will be proof that the tenant sent the notice and that it was received. If the first-class mail is not returned, it is assumed to have been received.

Emails and text messages are proper written notice only if the tenant has proof of receipt of them by the landlord. Even then, the email or text needs to be provided to the court as evidence. For this reason, tenants should not rely solely on emails and texts.

If there are needed repairs for which the landlord is responsible and the landlord has not made the repairs, a tenant may file a Tenant's Assertion with the local General District Court. The tenant may only enter into this process if two things are true: (i) the tenant is current in rent and stays current, and (ii) the tenant has provided prior written notice to the landlord about the conditions and has provided the landlord a reasonable time to remedy them, yet the landlord has not done so.

The tenant must pay into the court the rent for the month within five days of the rent due days (called "rent escrow"). The court will then set a date for a judge to hear the case. The judge will listen to each side. If the judge determines that the landlord has not maintained responsibilities under the lease, the judge may terminate the rental agreement (but only at the request of the tenant), may return all or part of the escrow to the tenant, and may decide not to release the escrow funds until the landlord remedies the conditions. Housing counselors should refer clients to an attorney.

#### **G. Rental Properties in Foreclosure**

The next section of this class is probably one of the most important sections of this manual. In 2018, Virginia was noted to be five out of the top 10 cities in the country with the highest eviction rates. Areas such as Hampton, Newport News, Norfolk, Richmond and Chesapeake

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make the list for the larger cities with Petersburg and Hopewell making the list for mid-sized cities. These findings made national headlines and caught the attention of Virginia lawmakers. It is important to understand and stay up to date with any changes regarding tenants' rights but especially their rights as it pertains to evictions. It would be wise to sign up with a reputable law or property management blog or newsletter to receive updates on any changes to the national or Virginia laws regarding tenancy.

### **Rental Properties in Foreclosure**

The recent housing crisis has provided us with many lessons. Most striking is the need to equip and educate consumers regarding finances and housing. What is also evident is that good, solid housing counseling is of great value families all across this nation. We learned that households who received comprehensive housing counseling fared much better than those who did not. Furthermore, the housing crisis created a new renting reality. In the wake of record number foreclosures, the rental market has been flooded with prospective tenants as families are either displaced by foreclosure or choose to delay homeownership until the economy improves and these tenants are also faced with a new reality as many apartment complexes are also undergoing foreclosure. Housing Counselors can help tenants of those properties by making them aware of their rights and educating them regarding legal eviction processes.

As the market grows, making it more challenging to locate decent, affordable rental housing, the role of the housing counselor becomes crucial. It is imperative that Housing Counselors provide reliable information to prospective tenants during the search for housing. The counselors should be familiar with landlord-tenant and fair housing laws and regulations and should also have good working relationships with legal resources to refer clients.

The Housing Counselor is there as a resource and guide to assist the family in deciding the best option for his or her household. The counselor's role is to convey that housing options are a continuum that reflects the best option for specific times in the family's life and is not a reflection of the family's worth or value to society. A family's housing may change as their needs and resources change.

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The Protecting Tenants in Foreclosure Act (PTFA) was passed in 2009 as a way to give tenants a longer notice period when they face a landlord foreclosure. Housing counselors who encounter tenants whose landlord has entered foreclosure should advise the tenant to consult with an attorney immediately. The PTFA protects “bona fide” tenant arrangements (where the tenant is not the mortgage borrower or the child, spouse, or parent of the mortgage borrower). The PTFA gives such tenants a 90-day notice period or for the term of their lease, whichever is greater; before they can be required to vacate the premises, but it is important to consult with an attorney before attempting to assert rights under this legislation. Under the 2009 act, the law expired at the end of 2014.

On May 22, 2018, the PTFA was included in a larger deregulation bill (S. 2155) which was passed by the house. On May 24, 2018, Donald Trump signed the act into law, extending the act permanently.

Under PTFA, tenants with Section 8 housing choice voucher assistance have additional protections allowing them to retain their Section 8 lease and requiring the successor-in-interest to assume the housing assistance payment contract associated with that lease.

The PTFA applies to all foreclosures on all residential properties; traditional one-unit single family homes are covered, as are multi-unit properties. The law applies in cases of both judicial and non-judicial foreclosures. Tenants with lease rights of any kind, including month-to-month leases or leases terminable at will, are protected as long as the tenancy is in effect as of the date of transfer of title at foreclosure.

Under the law, the immediate successor in interest at foreclosure must: (a) provide bona fide tenants with 90 days' notice prior to eviction; and, (b) allow bona fide tenants with leases to occupy property until the end of the lease term, except the lease can be terminated on 90 days' notice if the unit is sold to a purchaser who will occupy the property. A lease or tenancy is bona fide if the tenant is not the mortgagor or the parent, spouse, or child of the mortgagor, the lease or tenancy is the result of an arms-length transaction, and the lease or tenancy requires

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rent that is not substantially lower than fair market rent or that is reduced or subsidized due to a Federal, State, or local subsidy. The law does not cover tenants facing eviction in a non-foreclosed property, tenants with a fraudulent lease, tenants who enter in lease agreements after a foreclosure sale, or homeowners in foreclosure. Additionally, the law does not affect the requirements of any State or local law that provides for longer time periods or extends additional protections to tenants.

Tenants do not make rental payments to the original property owner once the property has been lost in a foreclosure sale. They are no longer property owner because they do not own the property. Payment must go to the new owner

The PTFA applies in all states but does not override more protective state laws.

#### **The Court Proceedings and Procedures**

The property owner and attorney representing the property management must show up for court. The landlord must get “possession” of the unit by order of the judge at court and must obtain a document called a “writ of possession” that allows the Sheriff to evict the tenant. Housing counselors should advise tenants that they must always show up to court. In order to prepare for the eviction hearing, the tenant should gather all documents and witnesses that could help the tenant defend him or her against the eviction or judgement. It is always advisable to seek legal advice to determine whether a tenant has a legal defense to an eviction. The tenant should show up to court even if he or she does not have an attorney or the money to pay. The judge will listen to both sides and then decide the case.

If a judge decides in the property owner’s favor, she or he will issue a writ of possession and the Sheriff will be notified to schedule the execution of the eviction. If the tenant came to court, there will be a 10-day waiting period before the Sheriff proceeds with the eviction; however, eviction will likely be immediate if the tenant did not appear in court.

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Tenants need to be made aware that although the balance of late rent may be paid prior to the court date, the tenant may still be responsible for all fees associated with the filing, including court costs. In addition, the property owner can still request and granted possession of the unit, even if the past due balance and fees have been paid in full.

Possession only prior redemption: is arguably one of the greatest protections a tenant has against eviction. Per the Virginia Landlord Tenant Act, when an unlawful detainer action is brought against a residential tenant due to nonpayment of rent, the tenant has a right to “redeem” the property – that is, prevent an eviction – by paying all “rent due and owing as of the court date” as well as late fees, other charges and fees, court costs, and attorney fees. The Supreme Court of Virginia has made clear that a “tenant’s act in tendering the amount due before the first court return date triggers the protection” of the right of redemption automatically and that “no further act is required” by a tenant in order to exercise the right of redemption. The unlawful detainer proceeding shall be dismissed as a matter of right when the tenant has made the required payment prior to the court date. This is an extremely powerful protection under state law, but it is not unlimited. A tenant may only invoke the right of redemption one time during any twelve-month period of continuously residing in a dwelling unit.

It is also important to note, that if a tenant makes a payment to the property owner from the time of the initial 5-day pay or quit and the actual court date, the property owner is required to send, a rent accepted with reservation letter. The letter is notifying the tenant of the current balance and does not constitute a waiver of the property owners right to evict the tenant. In the case that the property owner does not do so, the tenant could rely the information to the judge and have the case dismissed.

Here are some other examples of typical outcomes from an eviction hearing:

Judgement & Possession as sued (J&P): property owner received judgement against the tenant for the full amount requested and granted either 5 day or 10-day possession of the unit

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Judgement only as sued: property owner will request judgement only and not possession of the unit. A property owner may request judgement only in a case where the tenant has already moved out, but the property owner is still seeking judgement in order to collect monies owed.

Judgement & Possession with variance: property owner is acknowledging receipt of payment from the tenant, but a balance is still due, property manager will request judgement on the new amount owed in court and possession of the unit.

Possession only: property owner is requesting possession of the unit, either 5 days or 10 days. A tenant can pay all monies due, but the property owner can still request possession of the unit. The property owner may choose to execute possession of the unit (requesting eviction from the Sheriff) at any time during a 12-month period. The property owner is required to give the tenant a minimum 5-day notice of when the eviction will be executed. It is very important that tenants understand this and ask their property owner the specific outcome of their case if they are not able to be in court themselves. Although a tenant may have been taken to court for a late payment in March, the property owner can evoke their right of possession at any point from March-February. A property owner that has been granted possession in the last 12 months can execute eviction for any non-compliance issues.

Recent legislative changes regarding the eviction process are as follows. Please note, housing counselors should verify information that is relied to a tenant prior to advising them as laws change and are updated regularly.

#### **UNLAWFUL DETAINER; EXECUTION OF WRIT OF POSSESSION (HB 856-PEACE)**

Permits a judge to issue a writ of possession immediately upon entry of judgment in an unlawful detainer case. Requires the sheriff to serve notice of the writ, including the date and time of eviction, on the defendant at least 72 hours prior to execution of the writ.

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**FOECLOSURE; NOTICE OF SALE WHEN OWNER IS DECEASED (HB 755-LEFTWICH; SB 422-CHAFIN)**

Provides that when the owner of a property to be sold by a trustee is deceased, the notice of the sale shall be delivered to the last known address of the deceased owner, any personal representative of the deceased's estate, and any heirs of the deceased as recorded in the land records where the property is located.

**UNLAWFUL DETAINER IN FORECLOSURE; CLARIFICATION OF SUPREME COURT CASE (HB 311-SIMON)**

This legislation is intended to prevent the derailment of unlawful detainer cases, based on an assertion of insufficiency of legal title to real property, made by a tenant or other occupant. Provides that if, on the date of a foreclosure sale of a single-family home, the former owner remains in possession of the dwelling, such former owner becomes a tenant at sufferance. This tenancy may be terminated by a written notice from the successor owner with at least a three-day notice. After the three-day period, the successor owner may file an unlawful detainer.

**LANDLORD'S ACCEPTANCE OF RENT WITH RESERVATION (HB 855-PEACE; SB 197-LOCKE)**

Provides that a landlord may accept full or partial payment of rent and receive an order of possession from a court pursuant to an unlawful detainer action, then proceed with eviction. The landlord must have stated in a written notice to the tenant that any amounts owed to the landlord by the tenant would be accepted with reservation and would not constitute a waiver of the landlord's right to evict the tenant. This notice may be included in the termination notice given by the landlord to the tenants, and there is no requirement for the landlord to give the tenant a subsequent written notice. The purpose of this legislation is to clarify the rent with reservation process by removing the requirement for a second notice for the time period between entry of an order of possession and prior to eviction.

**LANDLORD AND TENANT LAW; TRANSIENT LODGING AS PRIMARY RESIDENCE; SELF-HELP EVICTION (HB 1227-HAYES; SB 286-SPRUILL)**

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Clarifies that the availability of the use of self-help eviction for transient lodging (fewer than 90 consecutive days) shall not preclude an owner from pursuing civil or criminal remedies under the laws of the Commonwealth.

### **Rental Payments**

Every tenant should fully understand what their financial obligation would be for leasing a unit prior to signing a lease. This includes the monthly rent amount, the utilities the tenant will pay and any deposits. Having this information will allow the tenant to budget appropriately and hopefully eliminate or decrease the odds of the tenant paying late during their tenancy.

Tenant should request a receipt for ALL payments made to the property owner and make sure the property owner/ authorized representative signs or initials the receipts. It is strongly advised that tenants keep ALL

### **H. Ending a Tenancy**

Housing counselors should advise clients to consult the provision of their lease when ending a tenancy. Some landlords require written notice 60 days before the tenant intends to move out; others require only 30 days. In cases where the tenant's lease has self-renewed and become a month-to-month lease, then 30 days will be required unless the lease stipulates otherwise.

Counselors should advise their clients that the unit must be left in a clean, orderly, and sanitary condition, and all belongings should be removed, in order to avoid withholding of the security deposit. If a client had a good relationship with a landlord, it may be beneficial to ask that landlord to serve as a reference for the client for future rental arrangements.

Landlords have the option of not renewing a lease and are under no obligation to do so. The landlord must provide written notice as per the lease agreement. However, landlords may not discriminate and refuse to renew a lease on the basis of a protected class. In such cases, the fair housing laws may apply. This is different from lease termination due to violations such as non-payment of rent, disrupting the peaceful enjoyment of the premises by other renters or some

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other lawful reason for termination. In such cases, the landlord must go through the proper court proceedings to terminate the lease.

### **Early Lease Termination by Military Personnel**

According to the Virginia Residential Landlord-Tenant Act, members of the armed forces of the United States or members of the National Guard serving full-time duty or as a Civil Service technician with the National Guard can terminate his or her lease if the enrollee

1. Received permanent change of station orders to relocate 35 miles or more from the location of the dwelling unit
2. Received temporary duty orders in excess of three months duration to depart 35 miles or more from the location of the dwelling unit
3. Is discharged or released from active duty with the armed forces of the United States or from his full-time or technician status with the National Guard
4. Is ordered to report to government-supplied quarters resulting in the forfeiture of basic allowance for quarters

Qualifying tenants must provide written notice to the landlord. The stated date of termination cannot be less than 30 days after the date on which the next rental payment is due and payable after the date on which the written notice is given. The termination date shall be no more than 60 days prior to the date of departure necessary to comply with the official orders or any supplemental instructions for interim training or duty prior to the transfer. Prior to the termination date, the tenant shall furnish the landlord with a copy of the official notification of the orders or a signed letter, confirming the orders, from the tenant's commanding officer. The landlord may not charge any liquidated damages<sup>13</sup>.

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<sup>13</sup> The Virginia Landlord-Tenant Handbook, [http://www.dhcd.virginia.gov/HomelessnesstoHomeownership/PDFs/Landlord\\_Tenant\\_Handbook.pdf](http://www.dhcd.virginia.gov/HomelessnesstoHomeownership/PDFs/Landlord_Tenant_Handbook.pdf), page 28. retrieved online on 02-11-2013

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### **The Servicemember Relief Act**

The Servicemembers Civil Relief Act of 2003 (SCRA) was signed into law on December 19, 2003, replacing the Soldiers' and Sailors' Civil Relief Act of 1940<sup>14</sup>. The act was amended in 2011 to provide extended relief time periods and to require a disclosure to military personnel who default on their mortgages while performing active duty<sup>15</sup>.

The Act, protects members of the United States Army, Navy, Air Force, Marine Corps, and Coast Guard, including members of the National Guard, as they enter military service (active duty), as well as commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration engaged in active service. Some of the benefits extend to the spouses, dependents and other family members of those enrolled in the Armed Forces and other qualified tenants. The Act, as it pertains to renters, allows for termination of certain residential or motor vehicle leases provided the tenant provides the landlord a copy of the military orders.

Termination is permitted of pre-service "residential, professional, agricultural or similar" leases occupied or intended to be occupied by a service member or a dependent as well as those leases executed during military service when the service member subsequently receives orders for a PCS or a deployment for a period of 90 days or more. Termination is permitted of pre-service "residential, professional, agricultural or similar" leases occupied or intended to be occupied by a service member or a dependent as well as those leases executed during military service when the service member subsequently receives orders for a PCS or a deployment for a period of 90 days or more<sup>16</sup>.

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<sup>14</sup>

<sup>15</sup> <http://www.occ.gov/publications/publications-by-type/other-publications-reports/scra.pdf>. retrieved 8-1-2013

<sup>16</sup> Consumer Compliance Outlook -2011, Fourth Quarter. <http://www.occ.gov/publications/publications-by-type/other-publications-reports/scra.pdf> retrieved on 8-1-2013

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## **I. Other Issues**

Other issues, such as breaking a lease, guest policies, and subleasing, can vary depending on the landlord, and the counselor should advise the client to consult the lease agreement for information.

### **Conclusion**

Landlord and tenant counseling provides an opportunity for counselors to provide more hands-on intervention. Consumers with low literacy or those with limited English-speaking ability are particularly vulnerable in the housing market. Counselors may need to assist the client with drafting appropriate written communication to their landlords and maintaining appropriate interactions with the courts. In addition, fair housing issues are often masked in landlord-tenant disputes. Counselors who suspect that a landlord-tenant dispute is resulting from a fair housing issue should contact the fair housing organization in their community to receive consultation.

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**Notes:**

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## **SECTION 9**

### **Appendix: Resource Materials**

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# Rental Resources

National Apartment Association

<https://www.nahq.org/advocacy/policy-issues/landlord-tenant-laws>

NOLO- Overview of Landlord – Tenant Laws in Virginia

<https://www.nolo.com/legal-encyclopedia/overview-landlord-tenant-laws-virginia.html>

VHDA – Finding a Place to Rent

<https://www.vhda.com/Renters/Pages/FindingPlacetoRent.aspx#.XLJy4jBKIM8>

HUD.GOV – Rental Help: Virginia

<https://www.hud.gov/states/virginia/renting>

HQS Inspection Form (long form)

[https://www.hud.gov/sites/documents/DOC\\_11742.PDF](https://www.hud.gov/sites/documents/DOC_11742.PDF)

Department of Professional and Occupational Regulation (DPOR) – Virginia Fair Housing Office

<http://www.dpore.virginia.gov/FairHousing/>

## Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(Exp. 9/30/2012)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

**Privacy Act Statement.** The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family	Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector	Neighborhood/Census Tract	Date of Inspection (mm/dd/yyyy)
Type of Inspection <input type="checkbox"/> Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection	Date of Last Inspection (mm/dd/yyyy)	PHA
<b>A. General Information</b>		
Inspected Unit Full Address (Including Street, City, County, State, Zip)	Year Constructed (yyyy)	Housing Type (check as appropriate) <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Duplex or Two Family <input type="checkbox"/> Row House or Town House <input type="checkbox"/> Low Rise: 3, 4 Stories, Including Garden Apartment <input type="checkbox"/> High Rise; 5 or More Stories <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Congregate <input type="checkbox"/> Cooperative <input type="checkbox"/> Independent Group Residence <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> Shared Housing <input type="checkbox"/> Other
Number of Children in Family Under 6		
Owner Name of Owner or Agent Authorized to Lease Unit Inspected	Phone Number	
Address of Owner or Agent		

<b>B. Summary Decision On Unit</b> (To be completed after form has been filled out)						
<input type="checkbox"/> Pass <input type="checkbox"/> Fail <input type="checkbox"/> Inconclusive	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms				
<b>Inspection Checklist</b>						
Item No.	1. Living Room	Yes Pass	No Fail	In- Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.1	Living Room Present					
1.2	Electricity					
1.3	Electrical Hazards					
1.4	Security					
1.5	Window Condition					
1.6	Ceiling Condition					
1.7	Wall Condition					
1.8	Floor Condition					

\* Room Codes: 1 - Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 - Dining Room or Dining Area; 3 - Second Living Room, Family Room, Den, Playroom, TV Room; 4 - Entrance Halls, Corridors, Halls, Staircases; 5 - Additional Bathroom; 6 - Other

Item No.	Comment	Final Approval Date (mm/dd/yyyy)		
Item No.	Yes Pass	No Fail	In-Conn.	
1.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable	
2. Kitchen				
2.1 Kitchen Area Present				
2.2 Electricity				
2.3 Electrical Hazards				
2.4 Security				
2.5 Window Condition				
2.6 Ceiling Condition				
2.7 Wall Condition				
2.8 Floor Condition				
2.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable	
2.10 Stove or Range with Oven				
2.11 Refrigerator				
2.12 Sink				
2.13 Space for Storage, Preparation, and Serving of Food				
3. Bathroom				
3.1 Bathroom Present				
3.2 Electricity				
3.3 Electrical Hazards				
3.4 Security				
3.5 Window Condition				
3.6 Ceiling Condition				
3.7 Wall Condition				
3.8 Floor Condition				
3.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable	
3.10 Flush Toilet in Enclosed Room in Unit				
3.11 Fixed Wash Basin or Lavatory in Unit				
3.12 Tub or Shower in Unit				
3.13 Ventilation				

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conn.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	<input type="checkbox"/> Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint  Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	<input type="checkbox"/> Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint  Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	<input type="checkbox"/> Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint  Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conn.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	<input type="checkbox"/> Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint  Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	<input type="checkbox"/> Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint  Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
	<b>5. All Secondary Rooms (Rooms not used for living)</b>					
5.1	None Go to Part 6					
5.2	Security					
5.3	Electrical Hazards					
5.4	Other Potentially Hazardous Features in these Rooms					

Item No.	Section	Yes Pass	No Fail	In - Con.	Comment	Final Approval Date (mm/dd/yyyy)
	6. Building Exterior					
6.1	Condition of Foundation					
6.2	Condition of Stairs, Rails, and Porches					
6.3	Condition of Roof/Gutters					
6.4	Condition of Exterior Surfaces					
6.5	Condition of Chimney					
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint?  If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?				<input type="checkbox"/> Not Applicable	
6.7	Manufactured Home: Tie Downs					
	7. Heating and Plumbing					
7.1	Adequacy of Heating Equipment					
7.2	Safety of Heating Equipment					
7.3	Ventilation/Cooling					
7.4	Water Heater					
7.5	Approvable Water Supply					
7.6	Plumbing					
7.7	Sewer Connection					
	8. General Health and Safety					
8.1	Access to Unit					
8.2	Fire Exits					
8.3	Evidence of Infestation					
8.4	Garbage and Debris					
8.5	Refuse Disposal					
8.6	Interior Stairs and Common Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				<input type="checkbox"/> Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead-Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

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**C. Special Amenities (Optional)**

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent. Check/list any positive features found in relation to the unit.

**1. Living Room**

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

**4. Bath**

- Special feature shower head
- Built-in heat lamp
- Large mirrors
- Glass door on shower/tub
- Separate dressing room
- Double sink or special lavatory
- Exceptional size relative to needs of family
- Other: (Specify)

**2. Kitchen**

- Dishwasher
- Separate freezer
- Garbage disposal
- Eating counter/breakfast nook
- Pantry or abundant shelving or cabinets
- Double oven/self cleaning oven, microwave
- Double sink
- High quality cabinets
- Abundant counter-top space
- Modern appliance(s)
- Exceptional size relative to needs of family
- Other: (Specify)

**5. Overall Characteristics**

- Storm windows and doors
- Other forms of weatherization (e.g., insulation, weather stripping) Screen doors or windows
- Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- Garage or parking facilities
- Driveway
- Large yard
- Good maintenance of building exterior
- Other: (Specify)

**3. Other Rooms Used for Living**

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

**6. Disabled Accessibility**

Unit is accessible to a particular disability.  Yes  No  
Disability \_\_\_\_\_

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**D. Questions to ask the Tenant (Optional)**

1. Does the owner make repairs when asked? Yes  No
2. How many people live there? \_\_\_\_\_
3. How much money do you pay to the owner/agent for rent? \$ \_\_\_\_\_
4. Do you pay for anything else? (specify) \_\_\_\_\_
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range \_\_\_\_\_ Refrigerator \_\_\_\_\_ Microwave \_\_\_\_\_
6. Is there anything else you want to tell us? (specify) Yes  No

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**E. Inspection Summary/Comments (Optional)**

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy)	Address of Inspected Unit
Type of Inspection      Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection <input type="checkbox"/>			
Item Number	Reason for "Fail" or "Pass with Comments" Rating		

Continued on additional page  Yes  No

Previous editions are obsolete

Page 7 of 7

Form HUD-52580 (3/2001)  
Ref Handbook 7420.8

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## Sample Lease Agreement

### Residential Lease Agreement

(This is a legally binding contract. If not understood, seek competent advice before signing.)

This Property will be shown and made available to all persons without regard to race, color, creed, religion, national origin, sex, familial status, handicap or elderliness in compliance with all applicable and federal, state and local fair housing laws and regulations.

This Lease Agreement (the "Lease") is made this **27<sup>th</sup> of February, 2017** by and between ("Landlord"), [Click here to enter text.](#), and [Click here to enter text.](#) ("Tenant"), and Company ("Agent").

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained therein, Landlord and Tenant agree as follows:

Landlord does hereby lease and demise unto Tenant, and Tenant does hereby lease and take from Landlord the Dwelling Unit hereinafter described (the "Dwelling Unit") on the terms and conditions set forth in this Lease.

#### 1. SUMMARY OF LEASE TERMS.

a. Address of Dwelling Unit: **2312 WILLIAM STREET ST APT. #4**  
Petersburg, VA 23803

b. Lease Term

Commencement Date of Lease: **02/24/2017** O am O pm

Length of Term is: **12 Months**

Lease Term Ends: **02/23/2018** O am O pm

c. Rent

Monthly Rent \$ **695.00**  
Per diem Rent \$ \_\_\_\_\_  
Prorated Rent from \_\_\_\_\_ to \_\_\_\_\_ : \$ \_\_\_\_\_

#### Additional Rent

Non-Refundable Lease Fee: \$ **60.00**

Non-Refundable Pet Fee, if applicable: \$ \_\_\_\_\_

Pet Rent, if applicable: \$ \_\_\_\_\_

Total Rent For the Term: \$ **\$8,340.00**

(Landlord may require the first month's rent and the security deposit in subsection 1(i) hereof to be paid in certified funds)  
(Rent may be increased pursuant to the terms of this Lease)

Late Fee: 10% of the total Monthly Rent, or \$50.00, whichever is greater.

d. Monthly Rent to be paid at Agent's offices located at 409 E. Main St. Unit 301, Richmond, VA 23219.

e. Description of Dwelling Unit

Unit Type: **Multi-family**

Number of Bedrooms: **2**

Number of Baths: **1**

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Other: \_\_\_\_\_

f. Appliances and other personal property provided: **REFRIGERATOR & STOVE**

g. Occupancy of the Dwelling Unit shall be limited to only the following persons other than Tenant:  
additional tenants

h. Utilities included in Rent: Water, Sewer & Trash; The tenant(s) will be responsible for Gas & Electric utilities.

i. Security Deposit: **\$675.00**

Total Security Deposit: **\$675.00**

Security Deposit will be held by Landlord or Agent \_\_\_\_\_

j. CANCELLATION AND RENEWAL OF LEASE: Either party may terminate this Lease effective as of the end of the then-existing Term by giving the other party written notice at least sixty (60) days before the end of the then-existing Term. If no such notice of termination is given, the Term of this Lease shall be extended for self-renewing terms of 12 months. If Landlord intends to change the terms or conditions of this Lease, including increasing the Rent, for any renewal term thereafter, Landlord will give Tenant written notice at least ninety (90) days prior to the end of the then applicable term.

2. **APPLICABLE VIRGINIA LAW.** This landlord tenant relationship is in accordance with Chapter 13.2 of Title 55 of the Code of Virginia (1950), as amended, generally known as the Virginia Residential Landlord Tenant Act (the "VRLTA").

3. **SECURITY DEPOSIT.** Tenant has deposited the amount shown in Section 1(i) as a Security Deposit, to secure a complete and faithful performance by Tenant of all terms and conditions of this Lease, and the obligations imposed on Tenant by applicable Virginia Law.

a. **Disposition.** Pursuant to the VRLTA, Landlord may apply all or part of the Security Deposit to the payment of accrued Rent and the amount of any damages that have been suffered by Landlord, including but not limited to, physical damages, appropriate charges to Tenant not previously reimbursed to Landlord, charges that may be due by Tenant to third-party utility providers in accordance with the provisions of Section 55-248.15:I(A) of the VRLTA, and actual damages for breach of this Lease, including attorneys' fees and costs. Landlord shall have the right to apply the Security Deposit to non-Rent items first, and then to any unpaid Rent. Within forty-five (45) days after termination of the tenancy and return of possession of the Dwelling Unit by Tenant to Landlord, Landlord will provide Tenant with an itemized listing of all deductions made from the Security Deposit, and with payment of any amount due to Tenant. If Tenant complies with all terms and conditions of the Lease and with the VRLTA, Landlord will return to Tenant the Security Deposit, together with any accrued interest if required by law, within forty-five (45) days after termination of the tenancy and return of possession the Dwelling Unit to Landlord by Tenant. If the damages to the Dwelling Unit exceed the amount of the Security Deposit and require the services of a third-party contractor, Landlord shall give written notice to Tenant advising of the fact within a forty-five (45) day period. If such notice is given, Landlord shall have an additional fifteen (15) day period to provide an itemization of the damages and the cost of repair. Any interest earned on the Security Deposit in excess of that amount that Landlord is required to pay to Tenant under the VRLTA will be retained by Agent to cover administrative costs.

b. **Forwarding Address.** Tenant shall provide Landlord written notice prior to vacating the Dwelling Unit of the forwarding address so that Landlord can forward to Tenant a statement explaining the disposition of the Security Deposit prior to the end of the 45-day period provided herein. If Tenant fails to give notice of a forwarding address, Landlord will send the Security Deposit statement to the last known address of Tenant, but will retain the Security Deposit refund, if any until Tenant notifies Landlord of the appropriate address.

c. **Multiple Tenants.** Where more than one Tenant signs this Lease, a deduction to be made from the Security Deposit will be joint and several, and Landlord is not liable for any understanding that may exist between two or more Tenants as to the portion of the Security Deposit that one Tenant may be entitled to, as opposed to another Tenant. Landlord will draw one check payable to all Tenants jointly, or at Landlord's election, to any one Tenant who shall be responsible for distribution to the other Tenants, and forward same to forwarding address provided to Landlord by written notice as required herein.

d. **Move-Out Inspection.** Under the VRLTA, Landlord will make reasonable efforts to provide Tenant with notice of a right to be present at the time of move-out inspection. Landlord will include in the vacating notice language to inform Tenant of this right to be present. Tenant must make a written request to Landlord to be present at such an inspection, and Landlord will notify Tenant of the inspection times which will occur within 72 hours of the termination of the tenancy. If Tenant fails to make such a request, or fails to schedule an inspection, Landlord will proceed to do the check-out inspection without Tenant being present.

e. **Setoff Prohibited.** Tenant shall have no right to deduct the Security Deposit from the rental payment for the last month of any

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term of this Lease.

f. Landlord's Successor Obligated for Security Deposit. If Landlord in any way transfers its interest in the Dwelling Unit, or if the Agent transfers management of the Dwelling Unit and the apartment community in which the Dwelling Unit is located (the "Premises"), to a third party, Agent or Landlord, as the case may be, may transfer the Security Deposit to the transferee and both are thereafter released from all liability for the return of the Security Deposit to Tenant. If such a transfer occurs, Tenant agrees to look to the transferee solely for the return of the Security Deposit and to release Landlord and/or Agent, as the case may be, from all obligations and liability relating thereto.

#### 4. RENT.

a. Rent Payments. The total Rent for the initial Term of this Lease is set out in section 1(c) of this Lease. Monthly payments of Rent are payable in advance, without demand, and in full without prorating or setoff, on the first day of each calendar month and shall be paid to at the address set forth in section 1(d) above or at such other places as Landlord may designate by advance written notice to Tenant. Landlord is authorized to accept prepaid Rent in accordance with the provisions of the VRLTA.

b. Late Payment. If the rental payment is received after the 5th day of the month, a Late Fee in the amount specified in section 1(c) of this Lease will be assessed against Tenant. Any rental payment received after legal action has been initiated by Landlord will be accepted with reservation and will be applied to delinquent rent due, but will not affect any legal action instituted by Landlord against Tenant to recover delinquent rent and possession of the Dwelling Unit.

c. Returned Checks. Checks that are returned for insufficient funds or otherwise, will result in the following charges, in addition to the late charges specified herein and the face amount of the check and all other amounts recoverable by Landlord pursuant to this Lease or by law: (i) a reimbursement of any bad check return fee charged by the bank; (ii) a bad check processing fee in the amount of \$50; (iii) legal interest from the date of the check; and (iv) a civil recovery not to exceed \$250. Landlord reserves the right to require that all subsequent monthly installments be made by money order or certified funds, or to require automatic or electronic payment. Landlord will not accept post-dated checks and is not responsible for any costs incurred associated with a check being returned based on the post-dating of that check.

d. Rent is Inclusive. As used in this Lease and under the VRLTA, "Rent" means all money, other than a security deposit, owed or paid to Landlord under this Lease, including prepaid Rent paid more than one month in advance of the Rent due date.

#### 5. INSPECTION AND CONDITION OF DWELLING UNIT.

a. Move-In Inspection Report. Tenant has made an inspection of the Dwelling Unit, and Tenant agrees that the Dwelling Unit is in a fit and habitable condition, except for such damages as have been itemized in a written inspection report, a copy of which will be submitted by Landlord to Tenant within five (5) days after occupation of the Dwelling Unit by Tenant. The inspection report will be deemed correct unless Tenant objects to it in writing five (5) days after Landlord has provided same to Tenant. Tenant hereby acknowledges that the inspection report reflects that there is no visible evidence of mold in the Dwelling Unit or that portion of the Premises which is occupied by Tenant. If the Landlord's Residential Move-In Move-Out Inspection Report states that there is visible evidence of mold in the Dwelling Unit, Tenant shall have the option to terminate the tenancy and not take possession or remain in possession of the Dwelling Unit. If Tenant requests to take possession, or remain in possession, of the Dwelling Unit, notwithstanding the presence of visible evidence of mold, Landlord shall promptly remediate the mold condition but in no event later than five business days thereafter and re-inspect the Dwelling Unit to confirm there is no visible evidence of mold in the Dwelling Unit, and reflect on a new Residential Move-In Move-Out Inspection Report that there is no visible evidence of mold in the Dwelling Unit upon re-inspection.

b. Locks. Landlord, at Tenant's request and at Tenant's sole cost and expense, will have all locks on the Dwelling Unit rekeyed. Tenant may, at any time, ask Landlord to: (i) install one keyed deadbolt lock on all exterior doors, if the Dwelling Unit does not already have one installed on each door; (ii) install a sliding door pinlock and/or a security bar on each sliding glass door; (iii) install one door viewer on each exterior door; and (iv) change or rekey locks during the Term. Landlord will comply with any such request at Tenant's cost and expense, in accordance with the amounts shown in the Damage Addendum, with all such costs to be paid by Tenant as additional rent with the next monthly payment of Rent by Tenant after receipt by Tenant of an invoice from Landlord.

c. New Locks Pursuant to Court Order. Any Tenant who has obtained an order (excluding ex parte orders) granting such Tenant possession of the Dwelling Unit to the exclusion of one or more other Tenants or authorized occupants in accordance with the provisions of Section 55-248.18:1 of the VRLTA may request Landlord to install new locks or other security devices on all exterior doors of the Dwelling Unit. Tenant will reimburse Landlord's actual costs for such new locks or security devices. All such costs will be paid by Tenant as additional rent with the next monthly payment of Rent by Tenant after receipt by tenant of an invoice from Landlord.

d. Lockout Policy. During normal business hours, as may be amended from time to time, Tenant may make a copy of Agent's key to the Dwelling Unit. Landlord or Agent may require Tenant to leave a driver's license until Tenant returns with the original key. Outside of normal business hours, Tenant must call a locksmith at its own expense.

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e. Return of Keys. Landlord reserves the right to charge Tenant a \$25.00 fee for each key that Tenant fails to return in a timely manner after the expiration on the Lease.

6. **USE, OCCUPANCY AND MAINTENANCE.**

a. Use. Tenant covenants that the Dwelling Unit will be used only as a dwelling unit and in a manner that will not disturb neighboring tenants and that will not damage the Dwelling Unit or the Premises. Tenant will not permit any authorized occupants or guests or invitees in or about the Dwelling Unit or the Premises either to disturb neighboring tenants or to cause physical damage the Dwelling Unit or the Premises. Tenant shall not deliberately or negligently destroy, deface, damage or impair any part of the Dwelling Unit or the Premises (including fixtures, facilities and appliances) or permit any person to do so with or without Tenant's knowledge, and Tenant shall be responsible for any damage caused by Tenant's failure to comply with this requirement. Tenant shall give Landlord prompt notice if any such damage occurs.

b. Occupancy. No persons, other than those named as Tenant and as authorized occupants in section I(g) of this Lease, may occupy the Dwelling Unit on a regular basis. For the purpose of this Lease, occupancy by an unauthorized person for more than seven (7) calendar days consecutively, or fourteen (14) calendar days in any calendar year, without prior written consent from Landlord, will constitute occupancy of the Dwelling Unit on a regular basis will constitute a default under this Lease. If at any time more than one person is named as a Tenant on this Lease, the obligations of each Tenant shall be joint and several.

c. Assignment/Sublease. Tenant shall not assign this Lease or sublet any portion of the Dwelling Unit without the prior written consent of Landlord, which consent Landlord will be under no obligation whatsoever to grant. Landlord shall have the right to consider any assignment or sublease made without Landlord's prior written consent void. If Landlord agrees to allow a Tenant to be added or removed from the Lease, all affected parties must sign an addendum thereto. Landlord reserves the right to charge a \$50 administration fee for any said modifications and to charge a \$35 application fee for each new prospective Tenant.

d. Compliance with Codes; Fixtures. Tenant shall comply with all obligations imposed by applicable building and housing codes materially affecting health and safety, and shall keep the Dwelling Unit, including plumbing and other fixtures, appliances, and facilities in a good, clean, safe and sanitary condition. Tenant shall use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other fixtures, appliances, and facilities in the Dwelling Unit and shall maintain the utility services paid for by Tenant on at all times during the Term. Tenant shall be responsible for any and all damages caused by Tenant's failure to comply with this requirement.

e. Appliances. Tenant shall keep all appliances and equipment in good and clean condition, with the exception of reasonable wear and tear. Tenant shall not install or use any other major appliances or equipment in the Dwelling Unit without prior written permission of Landlord.

f. Smoke Detectors. Tenant shall be responsible for reasonable care and maintenance of smoke detectors in the Dwelling Unit in accordance with Section 55-248.16 Code of Virginia, and shall be responsible for interim testing and for providing written notice to Landlord of the need for repair of any malfunctioning smoke detector. Tenant shall not remove or tamper with any smoke detector, including removing any working batteries, so as to render the detector inoperative. In accordance with Section 55-248.13 of the Code of Virginia, Landlord, at Landlord's expense, shall provide for the service, repair or replacement of smoke detectors in need thereof within five (5) days of receipt of written notice from Tenant that a smoke detector is in need of service, repair or replacement.

g. Carbon Monoxide Detectors. Tenant shall have the right to install carbon monoxide detectors in the Dwelling Unit at Tenant's sole cost and expense in accordance with Section 55-248.18 of the VRLTA. Landlord may choose to install carbon monoxide detectors at its own expense, but is under no obligation to do so. Tenant shall not remove or tamper with a properly functioning carbon monoxide detector, including removing any working batteries, so as to render the detector inoperative. While Landlord or Agent may test the carbon monoxide detectors during regularly scheduled inspections, neither Landlord nor Agent shall be responsible for changing batteries or otherwise ensuring the upkeep thereof. Neither Landlord nor Agent is responsible in any way for the installation, maintenance, or use of a carbon monoxide detector installed by Tenant, and Tenant agrees to hold Landlord and Agent harmless from any and all claims or losses arising therefrom, and to indemnify Landlord and Agent from and against any and all claims, liability, loss or damage therefore.

h. Mold. Tenant will use reasonable efforts to maintain the Dwelling Unit in such a condition as to prevent accumulation of moisture and the growth of mold, and to notify Landlord in writing promptly of any moisture accumulation that occurs or of any visible evidence of mold discovered by Tenant. Tenant does hereby release Landlord and Agent from any and all claims or liability to Tenant, Tenant's authorized occupants, or guests or invitees, and does hereby agree to indemnify and hold Landlord and Agent harmless from and against any and all loss, damage, claim, suit, costs (including reasonable attorneys fees and costs at all tribunal levels) or other liability whatsoever resulting from Tenant's failure to comply with the provisions of this subsection or any other provisions of law.

i. Insects and Pests. Tenant shall keep the Dwelling Unit free from insects and pests, and promptly notify the Landlord of the existence of any insects or pests. Tenant shall prepare the Dwelling Unit for the application of insecticides or pesticides in accordance with any written instructions of Landlord, and if insects or pests are found to be present, follow any written instructions provided by Landlord to eliminate the insects or pests following the application of insecticides or pesticides. Tenant who has concerns about specific insecticides or pesticides shall notify the Landlord in writing no less than 24 hours before any scheduled

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insecticide or pesticide application, in accordance with Section 17 of this Lease. Tenant does hereby release Landlord and Agent from any and all claims or liability to Tenant, Tenant's authorized occupants, or guests or invitees, and do hereby agree to indemnify and hold Landlord and Agent harmless, from and against any and all losses, damages, claims, suits, costs (including reasonable attorneys fees and costs) or other liabilities whatsoever arising from the presence of insects or pests in the Dwelling Unit, and/or resulting from Tenant's failure to comply with the provisions of this subsection or any other provisions of law. Tenant is responsible for remedying any pest issues that occurs after move-in unless the Dwelling Unit is part of a multi-family unit and Tenant did not cause the infestation.

j. Painting and Alterations. Tenant shall not paint or disturb any painted surfaces or make other alterations to the Dwelling Unit without Landlord's prior written approval. Tenant shall notify Landlord and Agent in the event there is any chipped or peeling paint in the Dwelling Unit. If Tenant paints or alters the premises in any way, Landlord reserves the right to require Tenant to return the Dwelling Unit to its original condition or charge the Tenant for the work required or bring the Dwelling Unit back to its original condition.

k. Compliance with Law. Tenant shall comply with any and all obligations imposed upon Tenant by applicable Virginia law, including the VRLTA.

l. Landlord Obligations. Landlord shall comply with the duties imposed on landlords in Section 55-248.13 of the VRLTA. However, Landlord shall only be liable for the Tenant's actual damages proximately caused by Landlord's failure to exercise ordinary care.

## 7. UTILITIES AND ADDITIONAL MAINTENANCE FOR WHICH TENANT IS RESPONSIBLE.

a. Tenant shall obtain all utility and other services to be paid directly by Tenant under this Lease, and shall pay any deposits associated therewith. The utilities included in the Rent are listed in section l(h). Tenant shall pay in full all charges for utilities and other services not included in the Rent under this Lease. Landlord shall not be liable for the failure to provide these services or for the interruption of such services if such failure or interruption is due to any cause beyond the control of Landlord.

b. Landlord reserves the right to use sub-metering or energy allocation equipment, or to allocate utility costs on the basis of ratio utility billing ("RUBs"), as provided in the VRLTA, for the utilities provided by Landlord. If Landlord chooses to allocate utility costs on the basis of RUBs, Landlord will bill Tenant for an appropriate prorata share of such utility costs, which bill shall be due and payable as additional rent at the first of the next month.

c. TENANT SHALL NOT TURN OFF UTILITIES PRIOR TO EXPIRATION OF THE LEASE. Any costs associated with a breach of this subsections shall be the responsibility of Tenant.

d. Tenant is responsible for completing the following maintenance functions:

- i. changing any HVAC air filters every 30 days;
- ii. replacing light bulbs;
- iii. changing battery in smoke detector;
- iv. keeping yard free of trash and debris;
- v. keeping unit clean and sanitary;
- vi. reporting all maintenance issues to Agent in writing.

e. Tenants is further responsible for the following maintenance functions, if the Dwelling Unit is a single family home:

- i. cutting grass, trimming/pulling weeds and/or hedges (if unit is a single family home);
- ii. cleaning out gutters.

## 8. PERSONAL PROPERTY OF TENANT

a. Renter's Insurance. All personal property placed in or about the Dwelling Unit or the Premises shall be at the sole risk of Tenant or the parties owning the same, and Landlord shall not be liable for the loss, destruction, theft of, or damage to such property. Tenant shall obtain insurance coverage (commonly referred to as "renter's insurance"), which shall meet the minimum coverage Limits and other terms specified by Landlord. Landlord reserves the right to require Tenant to pay for the cost of renter's insurance obtained through Landlord, in which case the actual costs for such insurance and an administration fee may be charged to Tenant as additional rent. Tenant shall have the option to purchase their own renter's insurance policy, provided the policy otherwise meets the requirements of this Section 8(a). For any renter's insurance policy obtained by Tenant in accordance with this Section 8(a), Tenant agrees to maintain such policy in full force and effect for the full term of this Lease, including any extensions or renewals thereof, and to provide Landlord sufficient proof of such insurance. Any renter's insurance policy provided by Landlord shall terminate contemporaneously with the termination of this Lease.

b. Abandoned Property. Any items of personal property left in or about the Dwelling Unit after Tenant

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vacates the Dwelling Unit will be considered abandoned property and may be disposed of by Landlord as Landlord sees fit, provided that Landlord has: (i) given Tenant written notice of termination as required by this Lease or the VRLTA including a notice that any items of personal property left in the Dwelling Unit or the Premises would be disposed of within twenty-four hours after termination; (ii) given written notice in accordance with subsection 9(d) of this Lease including notice that any items of personal property left in the Dwelling Unit or the Premises would be disposed of within twenty-four hours after expiration of the seven-day period; or (iii) given written notice to Tenant including a statement that any items of personal property left in the Dwelling Unit or the Premises would be disposed of within twenty-four hours after expiration of a ten-day period from the date of such notice. Tenant shall have the right to remove its personal property from the Dwelling Unit or the Premises at reasonable times during the twenty-four hour period after termination during normal business hours, or during normal business hours until Landlord has disposed of the remaining personal property of Tenant. During such twenty-four hour period and until Landlord disposes of the remaining personal property of Tenant, Landlord shall have no liability for risk of loss of such property.

c. Death of Tenant. If a Tenant who is the sole occupant of the Dwelling Unit dies, and there is no person authorized by order of a circuit court to handle probate matters for the deceased Tenant, Landlord may dispose of any personal property left by such Tenant upon giving at least ten (10) days written notice in accordance with Section 55-248.38:3 of the VRLTA. Such notice shall include a statement that any items of personal property left in the Dwelling Unit shall be treated as abandoned property and disposed of, if not claimed within ten (10) days, subject to subsection (b) hereof.

## **9. ACCESS TO THE DWELLING UNIT AND PREMISES BY LANDLORD AND ITS DULY DESIGNATED REPRESENTATIVE(S); REPAIRS:**

a. Landlord and its duly designated representative(s) may enter the Dwelling Unit and go upon the Premises in order to do the following:

i. Upon reasonable notice to Tenant and at reasonable times:

1. inspect the Dwelling Unit and the Premises;
2. make necessary or agreed repairs, decorations, alterations, or improvements;
3. supply necessary or agreed services;
4. exhibit the Dwelling Unit and Premises to prospective or actual mortgagees, workmen, contractors, appraisers and/or representatives of any owners' association.

ii. Landlord will give Tenant at least twenty-four (24) hours notice, unless impractical to do so, of routine maintenance to be performed that has not been requested by Tenant, and shall not be required to provide prior notice to Tenant for any maintenance requested by Tenant. Landlord may enter the Dwelling Unit without Tenant's consent in cases of emergency. Tenant shall be responsible for paying the cost of any unnecessary service call and any costs incurred as a result of the Tenant failing to keep appointments with service persons that require access in order to make scheduled repairs.

iii. At anytime during the Term of the Lease, place a "For Sale" sign upon the Dwelling Unit and Premises and exhibit the Dwelling Unit and Premises to prospective purchasers. All such entries into the Dwelling Unit and Premises shall be conducted at reasonable times and with reasonable notice to Tenant and shall be done in such a way as not to unreasonably disturb Tenant.

iv. After notice of termination of this Lease by Landlord or Tenant or commencing ninety (90) days before the expiration of the Term, place a "For Rent" sign upon the Dwelling Unit and Premises and exhibit the Dwelling Unit and Premises to prospective tenants. All such entries into the Dwelling Unit and Premises shall be conducted at reasonable times and with reasonable notice to Tenant and shall be done in such a way as not to unreasonably disturb Tenant.

b. Landlord shall give written notice to Tenant no less than 24 hours prior to an application of an insecticide or pesticide in the Dwelling Unit. If Tenant requests the application of the insecticide or pesticide, no prior notice is required.

c. If Tenant refuses to allow or prevent access to Landlord as provided herein, Landlord may obtain injunction relief to compel access or may terminate this Lease. In either case, Landlord may recover actual damages sustained and reasonable attorney's fees.

d. Tenant shall give Landlord notice of any anticipated extended absence of Tenant from the Dwelling Unit in excess of seven (7) days. During such absence of Tenant, Landlord may enter the Dwelling Unit at times reasonably necessary to protect the Dwelling Unit. If Tenant fails to give such notice, Landlord may recover from Tenant any actual damages sustained, and shall have all other rights provided in the VRLTA. If Landlord cannot determine whether Tenant has abandoned the Dwelling Unit, Landlord may serve written notice on Tenant requiring Tenant to give Landlord written notice within seven days that Tenant intends to remain in occupancy of the Dwelling Unit. If by the end of such seven-day period Landlord has not received such notice or has otherwise determined that Tenant has abandoned the Dwelling Unit, the Dwelling Unit shall be presumed abandoned and this Lease shall be terminated as of such date.

In the event there is a non-emergency property condition, or a mold condition that requires Tenant to temporarily vacate the Dwelling Unit to make the necessary repairs, in the sole determination of Landlord, the Landlord may upon no less than thirty (30) days prior written notice to Tenant, require the Tenant to temporarily vacate the Dwelling Unit at no expense or cost to Tenant for a period of not more than thirty (30) days, to a comparable dwelling unit selected by Landlord, or at Landlord's

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option to a hotel room. Tenant shall continue to be responsible for all Rent due under the Lease without abatement, and shall comply with all other terms and conditions of the Lease during any period of temporary relocation. If the Landlord properly remedies the non-emergency property condition, or the mold condition in accordance with professional standards (as defined in Section 55-248.4 of the VRLTA), within the thirty (30) day period, the Tenant shall have no right to terminate the Lease as a result of such condition.

**10. LANDLORD'S INABILITY TO DELIVER POSSESSION TO TENANT.** If Landlord is unable to deliver possession of the Dwelling Unit to Tenant on the Commencement Date of this Lease through no fault of Landlord, Landlord shall not be liable to Tenant for any damages other than to rebate any Rent paid by Tenant for such portion of the Term during which the Dwelling Unit is not delivered to Tenant. If Landlord cannot deliver possession of the Dwelling Unit or provide Tenant with an alternative residential dwelling unit acceptable to Tenant within fifteen (15) days after the Commencement Date of the Lease, the Lease may be terminated by either Landlord or Tenant by giving notice to the other as provided herein.

**11. CASUALTY DAMAGE.** If the Dwelling Unit is damaged by fire or other casualty, by the failure of or malfunction of any equipment or utilities serving the Dwelling Unit, Tenant shall promptly notify Landlord. If, in the sole determination of Landlord, such damage does not render the Dwelling Unit substantially impaired or require repairs requiring Tenant to vacate the Dwelling Unit, Landlord shall repair the same within a reasonable period of time after service upon Landlord of written notice of such damage by Tenant, and Rent shall not abate during the period of such repairs. If the Dwelling Unit or any part thereof is damaged by fire or other casualty to such an extent that use of the Dwelling Unit is substantially impaired, or required repairs can be made only by Tenant vacating the Dwelling Unit, in the sole determination of Landlord, either Landlord or Tenant shall have the right to terminate the Lease in accordance with the terms of Section 55-248.24 of the VRLTA, and subject to Section 9(e) of the Lease. Landlord shall account to Tenant for the Security Deposit and prepaid rent, as applicable, plus accrued interest on the Security Deposit (if any) based upon the damage or casualty. However, if Landlord reasonably believes that Tenant, Tenant's guests, invitees or authorized occupants were the cause of the damage or casualty, Landlord shall so notify Tenant and make disposition of the Security Deposit and prepaid rent by advising Tenant that such funds will be held until a determination is made of the amount of damages caused by Tenant's acts. Landlord shall have the right to apply the Security Deposit and prepaid rent to the damage so caused by Tenant, Tenant's guests, invitees, or authorized occupants. Except as otherwise provided herein, Tenant and Landlord do hereby otherwise release each other from any and all liability, loss, damage or claim resulting from any casualty and agree to secure from their insurers acknowledgement of such release and a waiver of any rights of subrogation.

**12. CONDEMNATION.** If all, or a substantial part, of the Dwelling Unit or Premises shall be acquired for any public use by the right of eminent domain, or private purchase in lieu of such right, by a public body vested with the power of eminent domain, this Lease and all rights of Tenant under it shall immediately terminate. The rent shall be adjusted as of the time of such acquisition, but Tenant shall have no claim against Landlord for any value of the unexpired Term, nor shall Tenant be entitled to any part of the condemnation award or purchase in lieu of such award.

**13. LIABILITY OF LANDLORD/AGENT.** Landlord and Agent are not liable for matters outside the dominion or control of Landlord or Agent so long as there is no gross negligence on their parts, including but not limited to: failure of utilities or services; acts of God; and any injuries or damages to persons or property either caused by or resulting from fire, falling plaster, dampness, overflow, or leakage upon or into the Dwelling Unit or the Premises of water, rain, snow, ice, sewage, steam, gas, or electricity, or by any breakage in or malfunction of pipes, plumbing, fixtures, air conditioners, or appliances, or leakage, breakage, or obstruction of soil pipes, nor for any injury or damage from any other cause. Tenant acknowledges that any security measures provided by Landlord or Agent will not be treated by Tenant as a further assurance or guarantee against crime or of a reduction in the risk of crime. Landlord and Agent will not be liable to Tenant or any guest, invitee, or occupant for injury, damage or loss to person or property caused by criminal conduct of other persons, including theft, burglary, assault, vandalism, or other crimes. Landlord and Agent will not furnish security personnel, security lighting, security gates or fences, or other forms of security. If the employees of Landlord or Agent are requested to render services not contemplated in this Lease, Tenant will hold Landlord and Agent harmless from any and all liability for same. If information on Tenant's rental history is requested by others for law enforcement or business purposes, Landlord may provide same in accordance with the "Tenant Consent Form." Landlord and Agent, in addition, shall not be liable under any circumstances of Tenant's failure to provide Landlord or Agent with prompt notice of any such conditions existing in the Dwelling Unit or Premises. Tenant hereby releases Landlord and Agent from any and all liability and agrees to indemnify Landlord and Agent for such losses, with respect to Tenant, and all authorized occupants and guests or invitees of Tenant.

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14. PETS. No pets of any kind will be allowed to be kept or maintained on the Dwelling Unit without Landlord's prior written consent, except for the following, which shall be allowed:

Landlord reserves the right, however, to prohibit pets, except for qualified service animals, completely from the Dwelling Unit and Premises. Landlord makes no representations about the suitability of the Premises for Tenant's specific pets. Tenant is responsible for any issues relating to its pets and shall keep said pets secure at all times.

15. **REPRESENTATIONS IN APPLICATION FOR LEASE.** This Lease has been entered into in reliance on the information given by Tenant on Tenant's "Application for Lease", which by this reference is made a part of this Lease. Tenant shall advise Landlord or Agent in writing of any changes to the information contained in the application. If any of Tenant's material representations are found to be misleading, incorrect, untrue or omitted, Landlord may immediately terminate this Lease and require Tenant to vacate the Dwelling Unit.

16. **FINANCIAL RESPONSIBILITY.** If Landlord is required to make any payment to Tenant hereunder, Tenant agrees that such financial obligation will be satisfied solely from Landlord's estate and interest in the Dwelling Unit and the real estate upon which the Dwelling Unit are situated and the improvements of which it is part, or the proceeds thereof: so that Landlord will incur no individual or other liability for such financial obligations.

17. **NOTICE.** All notices shall be in accordance with Section 55-248.6 of the VRLTA, which provides for written notice to be given by regular mail or by hand delivery, with the party giving notice retaining a certificate of mailing, or delivery of the notice, as the case may be. Notice to the Landlord will be given to the Agent's Office or to such other place as may be specified by Landlord or Agent. Notice to Tenant will be given to the address of the Dwelling Unit. Landlord reserves the right for Landlord and Tenant to send notices in electronic form; however, if Tenant so requests, Tenant may elect to send and receive notices in paper form. If electronic delivery is used, the sender shall retain sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery. Tenant agrees to accept electronic notices at the e-mail address provided on its rental application. Tenant must notify Landlord of any changes to Tenant's e-mail address or telephone number.

18. **MILITARY.**

a. Any Tenant who is a member of the armed forces of the United States or a member of the Virginia National Guard serving on full time duty or a Civil Service technicians with a National Guard unit may, through the procedure detailed in subsection (b) of this section, terminate this Lease if the Tenant (i) has received permanent change of station orders to depart thirty-five miles or more (radius) from the location of the Premises; (ii) has received temporary duty orders in excess of three months' duration to depart thirty-five miles (radius) from the location of the Premises; (iii) is discharged or released from active duty with the armed forces of the United States or from full-time duty or technician status with the Virginia National Guard; or (iv) is ordered to report to government-supplied quarters resulting in the forfeiture of basic allowance for quarters.

b. If Tenant qualifies to terminate this Lease pursuant to subsection (a) of this section, Tenant may do so by serving on Landlord a written notice of termination at least thirty (30) days prior to the next Rent due date. The termination date shall be no more than sixty (60) days prior to the date of departure necessary to comply with the official orders. Prior to the termination date, Tenant shall furnish Landlord with a copy of the official notification of the orders or a signed letter, confirming the orders, from Tenant's commanding officer.

c. Nothing in this section shall limit the amount of the Security Deposit that Landlord may retain as provided in section 3 of this Lease.

d. Landlord reserves the right to require, as a condition of this Lease, that Tenant execute a waiver of all or part of the rights the Tenant may otherwise have under the Service members Civil Relief Act

e. If no waiver of rights under the Service members Civil Relief Act is required by Landlord, in the event of a nonpayment of rent by Tenant, Landlord reserves the right to request an allotment from the pay of the service member tenant as permitted in the Service members Civil Relief Act.

19. **CANCELLATION; RENEWAL.**

a. Either party may terminate this Lease in accordance with section 1(j) of this Lease. If notice of termination is not timely given, the Term of this Lease shall be extended upon the same terms and conditions as set forth in this Lease, for the term specified in section 1(j) until either party gives timely notice to terminate in accordance herewith, unless this Lease is terminated in accordance with any other applicable provision of this Lease or Virginia law; provided, however, that if the duration

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of the renewal term as set forth herein is less than the number of days specified in section 1(j) to terminate this Lease, then the notice period for terminating any renewal term of this Lease shall be the same period as the renewal term.

If Landlord intends to change the terms or conditions of this Lease, including increasing the Rent, for any renewal term thereafter, Landlord shall give Tenant written notice in accordance with section 1(j) of this Lease, advising Tenant of the new terms and conditions of a renewal lease. Should Tenant fail to provide Landlord timely written notice of Tenant's intentions to terminate the Lease in accordance with the preceding subsection (a), Tenant shall be deemed to have agreed to the terms and conditions set forth in Landlord's notice, and shall be billed for such, until such time as the Lease is terminated in accordance with this section.

b. Upon termination of this Lease, Tenant shall surrender the Dwelling Unit in good condition, with the exception of reasonable wear and tear and must pay for all damages or assessments for damages made by Landlord against Tenant pursuant to this Lease.

**20. ACTION BY LANDLORD UPON DEFAULT BY TENANT.** Under Virginia law and this Lease, Landlord may terminate this tenancy during the term of the Lease upon one of the following:

a. Material Noncompliance by Tenant Failing to Pay Rent When Due. If Tenant fails to pay Rent when due or pays Rent with a bad check, and such failure continues after Landlord has served a five-day notice of material noncompliance for failure to pay Rent, Tenant shall be in default, and Landlord may terminate this Lease and Tenant's right to possession in accordance with law and seek such damages as are appropriate under this Lease and the VRLTA. Tenant acknowledges that it may be responsible for rent until the Landlord/Agent find a suitable replacement tenant or until the end of the Lease term. Tenant is further responsible for paying a lease break fee in the amount of one month's rent to compensate Landlord for costs associated with marketing/securing a replacement tenant.

b. Material Noncompliance by Tenant Which Can Be Remedied Within 21 Days. If Tenant fails to comply materially with any other provision of this Lease, Landlord may serve on Tenant a material noncompliance notice stating that if Tenant does not remedy the specified noncompliance(s) within twenty-one (21) days after receipt of such notice, then if such noncompliance is remediable, this Lease will terminate thirty (30) days after Landlord has served such notice.

c. Repeat Violations. If Tenant has been served with a prior written notice that required Tenant to remedy a breach, and Tenant remedied such breach, if Tenant intentionally has committed a subsequent breach of a like nature as the prior breach, Landlord may serve on Tenant a thirty (30) day termination notice for such repeat violation. Such notice must make reference to the prior breach of a like nature and state that the Lease will terminate in thirty (30) days for the reasons stated therein without allowing Tenant an opportunity to remedy such subsequent breach.

d. Nonremediable Violations/Criminal Acts. If Tenant commits a material noncompliance that is not remediable, Landlord may serve on Tenant a termination notice stating that this Lease will terminate in thirty (30) days for the reasons stated therein without allowing Tenant an opportunity to remedy such breach. If a breach of Tenant obligations under Virginia law or this Lease involves or constitutes a criminal or willful act that is not remediable and that poses a threat to health or safety, Landlord may terminate this Lease immediately by giving of written notice thereof. Tenant and any other persons in or about the Dwelling Unit with consent of Tenant, including but not limited to members of the family, guests, invitees or authorized occupants, shall not engage in criminal activities or activities intended to facilitate criminal activities including any illegal drug-related activity on the Dwelling Unit and any area of the Premises, including common areas and streets, involving a controlled substance (as defined in Section 54.1-3401 of the Virginia Code). "Illegal drug-related activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use of a controlled substance. Neither Tenant, guests, invitees or authorized occupants of Tenant will engage in the manufacture, sale or distribution of illegal drugs at any location, whether on the Premises or otherwise. Neither Tenant, guests or invitees or authorized occupants of Tenant will engage in acts of violence or threats of violence, including, but not limited to the unlawful discharge of firearms in the Dwelling Unit or on or near the Premises. A single violation of any of these provisions shall constitute a non-remediable violation of the Lease and justification for termination thereof. Criminal conviction is not required in order for Landlord to terminate this Lease. Nothing herein shall be construed to limit any remedies available under Virginia law for any criminal offenses committed by Tenant, guests, invitees or authorized occupants of tenants.

e. Material Noncompliance by Tenant Which Can Be Remedied by Repairs, Cleaning or Replacement. If Tenant commits a material noncompliance that can be remedied by repair, cleaning or replacement, Landlord shall deliver written notice to Tenant specifying the breach and stating that Landlord will enter the Dwelling Unit and perform the work. Once the work is complete, Landlord will deliver an itemized bill to Tenant for the work, and such amounts are due as rent on the next rent due date, or if this Lease is terminated, immediate payment is due.

f. Remedies Available to Landlord Upon Termination of Lease. Upon termination of the Lease, Landlord may proceed to obtain possession of the Dwelling Unit by the filing of an unlawful detainer summons in a court of competent jurisdiction, and in addition, seek a money judgment for any physical damage to the Dwelling Unit and Premises. Landlord may also seek a money judgment for any actual damages sustained as a result of Tenant's default and breach of the Lease, as provided by Virginia law. Upon termination of the Lease, Landlord may treat the security deposit as provided in this lease and the VRLTA lease.

g. Family abuse. If a Tenant is a victim of family abuse as defined in the VRLTA, and the perpetrator is barred from the Dwelling Unit pursuant to Section 55-248.31:01 of the VRLTA based upon information provided by Tenant to Landlord, or by a protective order issued by a court of competent jurisdiction, this Lease shall not be terminated solely by an act of family abuse against a Tenant. However, the provisions of the preceding sentence shall not apply if: (i) Tenant fails to provide Landlord, not later than

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twenty-one (21) days after the alleged offense, with written documentation corroborating Tenant's status as a victim of family abuse and the exclusion of the perpetrator from the Dwelling Unit and the Premises; or (ii) the perpetrator returns to the Dwelling Unit in violation of the bar notice, and Tenant fails to so notify Landlord with 24 hours, subject to the provisions of the VRLTA.

**21. ACCEPTANCE OF RENT WITH RESERVATION.** If Tenant is in default under this Lease, Landlord may accept rent with reservation upon providing Tenant written notice of such acceptance in a termination notice, or within five (5) business days of receipt of rent, and such acceptance of periodic rental payments with knowledge of a material non-compliance by the Tenant will not constitute a waiver of Landlord's right to terminate the Lease. If Landlord has given Tenant written notice that the periodic rental payments have been accepted with reservation, Landlord may accept full payment of all rental payments, damages and other fees and still be entitled to receive an order of possession terminating the Lease as provided in Section 55-248.34 of the VRLTA. Any rental payment received after judgment and possession has been granted to Landlord against Tenant, but prior to eviction, will be accepted with reservation and will be applied to the judgment amount, including the late charges, applicable costs and attorney's fees, but will not affect the pending eviction pursuant to the order of possession granted by a court of competent jurisdiction. Further, the acceptance of the said amount with reservation in no way creates a new landlord/tenant relationship with Tenant.

**22. NO WAIVER.** If Landlord waives a noncompliance or breach of the Lease or law by Tenant, such waiver shall not be construed as a waiver of any subsequent breach of noncompliance or breach, and this Lease shall continue in full force and effect

**23. SUBORDINATION.** Tenant agrees that this Lease is subordinate to the lien of any existing or future deeds or trust or mortgages placed on the Dwelling Unit and Premises, and Tenant agrees to execute whatever additional agreements may be required to so subordinate this Lease. Landlord reserves the right to assign any of Landlord's rights under this Lease at any time.

**24. SEVERABILITY.** If any provisions of this Lease are violative of law or equity, the remaining provisions shall remain in full force and effect.

**25. DISCRIMINATION.** Landlord and Agent shall not discriminate against Tenant in the provisions of services or in any other manner on the basis of race, color, creed, religion, sex, national origin, familial status, elderliness, or handicap.

**26. REASONABLE ATTORNEY'S FEES/COSTS OF COLLECTION.** If as a result of Tenant's noncompliance with this Lease or the law Landlord employs an attorney at law or a collection agency, Tenant agrees to pay Landlord's reasonable attorney's fees and costs in all courts of competent jurisdiction at all tribunal levels, any costs associated with the services provided by the collection agency, and any other costs recoverable under Virginia law.

**27. RULES AND REGULATIONS, ADDITIONAL DISCLOSURES.** Tenant shall abide by any rules and regulations adopted by Landlord applicable to the Dwelling Unit and the Premises, including any and all updated rules, and any rules of any homeowner's association or similar association in which the Dwelling Unit is located. The following rules and regulations shall be enforced as of the commencement date of this Lease:

- a. No smoking allowed inside the Dwelling Unit
- b. If the Dwelling Unit has a functioning fireplace/chimney, any use by Tenant thereof shall be at Tenant's sole risk. Prior to using fireplace, Tenant must have chimney serviced and cleaned by a licensed contractor. If Tenant uses fireplace, Tenant must maintain the same regularly. Tenant accepts chimney "as is" and acknowledges that Landlord has no responsibility to clean, repair or maintain chimney.
- c. Landlord is not responsible for providing window screens at the Dwelling Unit. Tenant accepts any existing window screens "as is" and acknowledges that Landlord is not responsible for the repair/replacement thereof.

**28. HOLDOVER TENANT.** If Tenant remains in possession of the Dwelling Unit after the required departure date following the termination of this Lease, Tenant will be liable for the following damages sustained by Landlord, or Agent: (i) its actual damages which include but are not limited to, holdover rent equal to the Per Diem Rent set forth in section I(c) multiplied by the number of days Tenant stays in possession of the Dwelling Unit after the vacating date, and storage, hotel, meals, mileage, etc., payable to the new tenant; (ii) liquidated damages equal to one-hundred and fifty percent (150%) (or one-hundred percent (100%) for any HUD property) of the Per Diem Rent, multiplied by the number of days Tenant stays in possession of the Dwelling Unit after the vacating date; and (iii) reasonable attorney's fees and court costs. In addition, if Tenant remains in the Dwelling Unit after termination or expiration of the Lease and no new Lease is entered into, the terms of the Lease shall remain in effect, except that the amount of rent shall be either *as* provided in the terminated Lease, or as provided by Landlord in a written notice to Tenant.

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Such new rent amount shall take effect on the next rent due date following thirty (30) days after the notice. Nothing herein shall be deemed to create a right on the part of Tenant to holdover after the required departure date.

29. **MODIFICATION, APPLICABLE LAW AND SUCCESSORS.** This Lease and any and all addenda, exhibits or amendments hereto constitutes the entire agreement among the parties, and it may not be modified or amended except by written instrument executed by Landlord and Tenant. This Lease shall be construed, interpreted and applied according to Virginia law and it shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, assignees, and subtenants of the parties.

30. **STATUTORY NOTICE TO TENANT.** Tenant shall exercise whatever due diligence Tenant deems necessary with respect to information concerning sex offenders registered under Chapter 23 (sec 19.2-387 et seq.) of Title 19. Such information may be obtained by contacting the local police department or the Department of State Police, Central Records exchange at (804) 674-2000 or [www.vsp.va.state.us/](http://www.vsp.va.state.us/).

31. **BANKRUPTCY.** Subject to the requirements of the Bankruptcy Act, in the event the Tenant is adjudicated a bankrupt, (or makes an assignment for the benefit of creditors), this Lease, at the option of the Landlord, shall terminate upon thirty (30) days written notice and the Dwelling Unit shall be surrendered to the Landlord, who reserves the right to repossess the Dwelling Unit subject to the applicable provisions of law.

32. **OTHER SPECIFIC PROVISIONS:** TOWING: We may regulate the time, manner, and place of parking cars, trucks, motorcycles, bicycles, trailers and recreational vehicles by anyone. Motorcycles or motorized bikes may not be parked inside an apartment unit or handicapped parking areas. We may have unauthorized or illegally parked vehicles towed from the apartment community at your expense under the terms of this Lease Contract. A vehicle is unauthorized or illegally parked in the apartment community if it:

- (1) Has a flat tire or other condition rendering it inoperable.
- (2) is on jacks, blocks, or has wheel(s) missing; or
- (3) has no current license or no current inspection sticker; or
- (4) takes up more than one parking space; or
- (5) belongs to a resident or occupant who has surrendered the apartment; or
- (6) is parked in marked handicap space without the legally required handicap insignia; or
- (7) is parked in a space marked for manager, staff, or guest at the office or
- (8) blocks another vehicle from exiting; or
- (9) is parked in a fire lane or designated "no parking" area; or
- (11) is parked on the grass, sidewalk or patio or
- (12) blocks garbage trucks from access to a dumpster.

	Tenant	Date
	_____	_____

	Tenant	Date
	_____	_____

\*The tenant agrees to submit all remaining fees/rent/deposit in the amount of \$ \_\_\_\_\_ prior to or on \_\_\_\_\_

33.  **LEAD-BASED PAINT.** The Premises were constructed prior to 1978, and housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not maintained properly. Lead exposure is especially harmful to young children and pregnant women. The Lead Based Paint Disclosure and EPA information book "Protect Your Family from Lead in Your Home" are attached hereto and made a part hereof, which shall be acknowledged by Tenant prior to occupancy of the Dwelling Unit.

Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_

\_\_\_\_\_ **DEFECTIVE DRYWALL.** Tenant recognizes and acknowledges that prior to execution of this Lease, that Tenant has

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received a written disclosure that the Dwelling Unit contains "defective drywall," as defined in Section 36-156.1 of the Code of Virginia.

Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant \_\_\_\_\_

**ASBESTOS.** Landlord hereby discloses any information known by Landlord regarding the location and condition of asbestos actually known to exist in the Dwelling Unit.

**TRANSFER OF TENANT.** In addition to the rights set forth in section 18, any Tenant has the right to terminate this Lease if transferred fifty (50) miles or more (radius) from the Premises by the employer stated on the Rental Application. The termination shall be effective on the last day of the second calendar month following the month in which the Landlord receives the notice of termination. The Tenant shall provide a copy of the Tenant's transfer letter and/or orders, the final month's rent and the following termination or cancellation fee: (1) one month's rent if the Tenant has completed fewer than six (6) months of the tenancy as of the effective date of termination; or (2) one-half of one month's rent if the Tenant has completed six (6) months or more of the tenancy as of the effective date of termination.

**DIPLOMATS.** This Lease is void if the Tenant is the head of a diplomatic mission or a member of the diplomatic staff of a mission, or a family member of a diplomatic staff of a mission, or administrative and technical staff or their family which entitled them to the diplomatic immunity accorded to such persons under the Vienna Convention on Diplomatic Relations **unless the** diplomatic immunity accorded by law has been waived in writing by an authorized representative of the sending government. Tenant represents to the Landlord that he/she is such a person.

**34. AGENCY RELATIONSHIP.** Landlord hereby does \_\_\_\_\_ does not \_\_\_\_\_ appoint Agent as its managing agent, with full and complete authority to engage in all aspects of the business of the management of the Dwelling Unit, and to act for Landlord in all respects which relate to this Lease. In consideration of Agent's procuring Tenant as a tenant in the Dwelling Unit and the negotiation of this Lease, Landlord agrees to pay Agent a leasing fee of \$\_\_\_\_\_ (governed by separate agreement) which fee shall be separate from any management fee paid to Agent. This fee is earned when this Lease is executed, and is payable on all Rent during the original term, any renewals, extensions, expansions, replacements, relocations, or new leasings between Landlord and Tenant or its successors and assigns. No sale of the Dwelling Unit or the Premises shall release Landlord or its successor or assigns from the obligations set forth herein. Agent shall have the right to collect all Rent due hereunder so that its fees and commissions may be paid in installments as the Rent is received and retained by Agent before remitting the Rent (less such fees or commissions) to Landlord: but if any act be done to deprive Agent of its right to collect the Rent, then the entire amount of its fees and commissions earned but then unpaid shall, at Agent's option, become immediately due and payable. In addition to this fee or any other fee payable to Agent hereunder, Landlord agrees to pay Agent a sales fee equal to \$\_\_\_\_\_ if the Dwelling Unit or the Premises is sold during the Term of this Lease or any renewals or extensions thereof or within one-hundred twenty (120) days after the termination of this Lease to Tenant or to any entity affiliated with, controlled by or under joint ownership or control with Tenant or any of its owners or principals. This provision does not grant Tenant any right to purchase the Dwelling Unit or the Premises, nor does it authorize Agent to offer such property for sale. In the event Agent receives a mortgage default, foreclosure or similar notice from any lender affecting the Dwelling Unit or Premises, Agent shall deliver such notice to Tenant, unless such notice was delivered by Tenant to Agent.

#### **34. WAIVER OF HOMESTEAD EXEMPTION**

Tenant expressly waives the benefit of the homestead exemption laws of the Commonwealth of Virginia.

IN WITNESS HEREOF, the parties have executed this Lease:

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Agent of Company

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Date

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Tenant

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Date

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Addendum to Lease

This Addendum to the Lease Agreement (the “Lease”) dated **JULY 27 2016** between [Click here to enter text.](#)(the “Landlord”) (the “Agent”) and [Click here to enter text.](#) (the “Tenant”) for that certain real property and all improvements known as **2306 WILLIAM STREET UNIT 4** (the “Property”) provides as follows:

**Tenant agrees to the following provisions:**

1. No smoking inside the property
2. If there are pest issues upon move in, Landlord / Agent will resolve the issue. If a pest issue develops after move in, Tenant will be responsible for resolving issue (excluding termites).
3. Security deposit and first month’s rent must be paid in certified funds.
4. If Tenant has a returned check, tenant will be charged a **\$50** NSF Administration Fee in addition to applicable late fees and all future payments must be paid in certified funds and Landlord / Agent can refuse payment by personal check. Agent / Landlord will not accept postdated checks and is not responsible for any fees incurred by either party due to a postdated check that is returned for insufficient funds. Landlord / Agent will not accept cash.
5. If Tenant breaks the lease, Tenant will be responsible for the rent until the Landlord / Agent finds a suitable replacement and Tenant will pay an additional penalty equal to one month’s rent in order to cover the leasing costs.
6. Tenants must keep all utilities on including heat during the entire lease period. Any damage and or repair cost caused by utilities not being on will be the responsibility of Tenant.
7. Fireplace / Chimney: - If property has one or more fireplaces; Tenant understands that the use of the fireplace will be at their own risk. Prior to using fireplace, Tenant agrees to have chimney cleaned and serviced by a licensed contractor. Tenant also agrees to maintain the chimney on a regular basis if the fireplace is used during their tenancy. Tenant accepts chimney “as is” and Landlord has no responsibility to clean, repair or maintain chimney.
8. Window Screens: Tenant accepts the window screens or lack thereof in an “as is” condition. Landlord is not responsible for repairing or adding window screens.
9. By providing an email address on the rental application, Tenant consents to email being an acceptable means of communication. Tenant must provide Landlord / Agent with updated telephone numbers and email addresses.
10. A **\$50** Administration fee will be charged for removing or adding Tenants to the lease. If removing a Tenant from the lease, all parties must sign an addendum. If adding a Tenant, applicant must apply, pay the **\$30** application fee, be approved, and all parties must sign an addendum.
11. Lockout Policy: During normal business hours of Monday through Friday 8:30 am- 5:00 pm, Tenant can make a copy of office key at Tenant’s expense. Tenant will be required to leave driver’s license which will be returned upon return of Agent’s office key. After hours Tenant must call a locksmith at their own expense.
12. If applicable, Tenant agrees to abide by all HOA rules and regulations.
13. If Tenant paints or alters the premises in any way, Landlord/Agent reserves the right to require Tenant to return the premises to its original condition or charge the Tenant for the work required to bring premises back to its original condition.
14. Agent reserves the right to charge Tenant \$25 for every key not returned to Agent upon move-out.

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15. When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

16. Disclosure rights – If someone requests information on you or your rental history for law-enforcement, governmental, or business purposes, we may provide it. We may report unpaid rent amounts to credit agencies.

**Maintenance to be completed by Tenant**

\*changing air filter should be done every 30 days

\* cutting grass, pulling weeds, trimming hedges, if single family home (unless otherwise stated in lease)

\*cleaning out gutters (if single family home)

\*replacing light bulbs

\*changing battery in smoke detectors

\*keeping yard free of trash and debris

\*keeping house clean, not leaving food out

\*reporting all maintenance issues to the Property Manager

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Tenant

Date

Company Agent

Date

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Tenant

Date

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**SERVICE MEMBER CERTIFICATION AND WAIVER**  
**(Each Tenant must sign a separate Certification and Waiver Form)**

This Service member Certification and Waiver (the "Form") dated as of JULY 27th, 2016 is intended to supplement the Apartment Lease Contract between (the "Owner") and Click here to enter text. (individually and collectively, the Tenant") for the property described as 2306 WILLIAM STREET 4 (the "Premises") date AUGUST 01, 2016 (the "Leases").

For good valuable consideration, the adequacy of which is acknowledged, the parties agree as follows:

1. **Reason for Form.** This form is designed to verify the current military status of each Tenant and waive Tenant's rights, if any, under the United States Service Member's Civil Rights Act ("SCRA").

2. **Military Status Verification.** All Tenants must sign and complete this Form, truthfully and accurately, as a material condition of their Lease. The representations and covenants contained herein are critical to the Owner's decision to allow Tenant to execute the Lease and reside on the Premises.

Tenants should indicate that he/she is a "Service Member", if he/she is a member of the uniformed services (whether on active duty with regular armed services, National Guard or Reserves) with the Army, Navy, Air Force, Marines or Coast Guard or is a commissioned officer of the Public Health Services or Tenants should check "Not a Service Member".

3. **Waiver of SCRA Rights; Non-waiver of VRLTA Rights.** In accordance with SCRA 50 U.S.C. §517, as amended, renumbered or replaced from time to time, Tenant hereby waives any and all rights of any kind that he or she has or may have under the SCRA, including but not limited to those rights relating to the appointment of a SCRA legal representative, stays of court proceedings, and any rights of co-tenants with Service Members. This waiver is intended to be a fully and complete waiver of all rights under the SCRA.

4. **Other rights Unchanged.** Except as expressly stated herein, this Form does not waive any of the Tenant's rights under the Virginia Residential Tenant Act ("VRLTA") or otherwise alter or amend any other rights, duties or obligations of the parties, as set forth in the Lease.

TENANT(s):

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Printed Name

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Signature

TENANT(s):

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Printed Name

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Date      Signature

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Date

- Service Member  
 Not a Service Member

- Service Member  
 Not a Service Member

## **Bed Bug Addendum**

Please note: It is our goal to maintain a quality living environment for our residents. To help achieve this goal, it is important to work together to minimize the potential of any bed bugs in your dwelling or surrounding dwellings. This addendum contains important information that outlines your responsibility and potential liability with regard to bed bugs.

This Bed Bug Addendum (the "Form") dated JULY 27, 2016 between (the "Landlord") through Property Management (the "Agent") and [Click here to enter text.](#) (the "Tenant") modifies the lease contract related to bed bugs which may be discovered infesting the dwelling or personal property at **2306 WILLIAM ROAD APT 4** (the "Property") provides as follows:

1. **PURPOSE.** This Addendum modifies the Lease Contract and addressed situations related to bed bugs (*cimex lectularius*) which may be discovered infesting the dwelling or personal property in the dwelling. You understand that we relied on your representations to us in this Addendum.

2. **INSPECTION.** You agree that you: (Check one)

- Have inspected the dwelling prior to move-in and that you did not observe any evidence of bed bugs or bed bug infestation ; OR
- will inspect the dwelling within 48 hours after move-in/renewal and notify us of any bed bugs or bed bug infestation.

3. **INFESTATIONS.** You agree that you have read all of the information on this addendum about bed bugs and: (Check One)

- you are not aware any infestations or presence of bed bugs in your current or previous apartments, home or dwelling. You agree that you are not aware of any bed bug infestation or presence in any of your furniture, clothing, personal property or possessions. You agree that you have not been subjected to conditions on which there was any bed bug infestation or presence. OR
- you agree that if you previously lived anywhere that had a bed bug infestation that all of your personal property (including furniture, clothing and other belongings has been treated by a licensed pest control professional. You agree that such items are free of further infestations. If you disclose a previous experience of bed bug infestation, we can review documentation of the treatment and inspect your personal property and possessions to confirm the absence of bed bugs. You agree that any previous bed bug infestation which you may have experienced is disclosed here:

4. **ACCESS FOR INSPECTION AND PEST TREATMENT.** You must allow us and our pest control agent's access to the dwelling at reasonable times to inspect for or treat bedbugs as allowed by law. You and your family members, occupants, guests and invitees must cooperate and will not interfere with inspections or treatments. We have the right to select any licensed pest control professional to treat the dwelling and building. We can select the method of treating the dwelling, building and common areas for bed bugs. We can also inspect and treat adjacent or neighboring dwellings to infestation even if those dwellings are not the source of cause of the known infestation. You are responsible for and must, at your own expense, have your own personal property furniture, clothing and possessions treated according to accepted treatment methods established by a licensed pest control firm that we approve. You must do so as close as possible to the time we treated the dwelling. If you fail to do so, you will be in default, and we will have the right to terminate your right of occupancy and exercise all rights and remedies under the Lease Contract. You agree not to treat the dwelling for bed bug infestation on your own.

5. **NOTIFICATION.** You must promptly notify us:

- of any known suspected bed bug infestation or presence in the dwelling, or in any of your clothing, furniture or personal property.
- Of any recurring or unexplained bites, stings irritations, or sores of the skin or body which you believe is caused by bed bugs, or by any condition or pest you believe is in the dwelling
- if you discover any condition or evidence that might indicate the presence or infestation of bed bugs, or of any confirmation of bed bug presence by a licensed pest control professional or other authoritative source.

6. **COOPERATION.** If we confirm the presence or infestation of bed bugs, you must cooperate and coordinate with us and our pest control agents to treat and eliminate the bed bugs. You must follow all directions from us or our agents to clean and treat the dwelling and building that are infested. You must remove or destroy personal property that cannot be treated or cleaned as close as possible to the time we treated the dwelling. Any items you remove from the dwelling must be disposed

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of off-site and not in the property's trash receptacles. If we confirm the presence or infestation of bed bugs in your dwelling we have the right to require you to temporarily vacate the dwelling and remove all furniture, clothing and personal belongings in order for us to perform pest control services. If you fail to cooperate with us, you will be in default and we will have the right to terminate your right of occupancy and exercise all rights and remedies under the Lease Contract.

7. **RESPONSIBILITIES.** You may be required to pay all reasonable costs of cleaning and pest control treatments incurred by us to treat your dwelling unit for bedbugs. If we confirm the presence or infestation of bed bugs after you vacate your dwelling you may be responsible for the cost of cleaning and pest control treatments. If we must move other residents in order to treat adjoining or neighboring dwellings to your dwelling unit, you may be liable for payment of any lost rental income and other expenses incurred by us to relocate the neighboring residents and to clean and perform pest control treatments to eradicate infestations in other dwellings. If you fail to pay us for any costs you are liable for, you will be in default and we will have the right to terminate your right of occupancy and exercise all rights and remedies under the Lease Contract, and obtain immediate possession of the dwelling. If you fail to move out after your right of occupancy had been terminated, you will be liable for holdover rent under Lease Contract.

8. **INDEMNIFICATION.** Under no circumstances shall the Owner and/or Owner's agents and employees be responsible to you for any losses, damages or expenses including special, consequential or punitive arising out of a bed bug infestation, inspection or treatment. Additionally, you agree to indemnify and hold harmless the Owner, its agents and employees from any actions, claims, losses, damages, or expenses, including, but not limited to, attorney's fees that the Owner may incur as a result of a bed bug infestation, inspection or treatment. This indemnification shall not apply if such damages, costs, losses, or expenses are directly caused by the negligence of the Owner."

9. **TRANSFERS.** If we allow you to transfer to another dwelling in the community because of the presence of bed bugs, you must have your personal property and possessions treated according to accepted treatment methods or procedures established by licensed pest control professional. You must provide proof of such cleaning and treatment to our satisfaction.

Bed bugs with typical lifespan of 6 to 12 months are wingless, flat, broadly oval-shaped insects. Capable of reaching the size of an apple seed at full growth, bed bugs are distinguishable by their reddish-brown color, although after feeding on the blood of humans and warm-blooded animals-their sole food source the bugs assume a distinctly blood-red hue until digestion is complete.

#### **Bed bugs don't discriminate**

Bed bugs increased presence across the United States in recent decades can be attributed largely to a surge in international travel and trade. It's no surprise then that bed bugs have been found time and time again to have taken up residence in some of the fanciest hotels and apartment buildings in some of the nation's most expensive neighborhoods.

Nonetheless, false claims that associate bed bugs presence with poor hygiene and uncleanliness have caused rental housing residents, out of shame, to avoid notifying owners of their presence. This serves only to enable the spread of bed bugs.

While bed bugs are, by their very nature, more attracted to clutter, they're certainly not discouraged by cleanliness.

Bottom line: bed bugs know no social and economic bounds; claims to the contrary are false.

#### **Bed bugs don't transmit disease**

There exists no scientific evidence that bed bugs transmit disease. In fact, federal agencies tasked with addressing pests of public health concern, namely the U.S. Environmental Protection Agency and the Centers for Disease Control and Prevention, have refused to elevate bed bugs to the threat level posed by disease transmitting pests. Again, claims associating bed bugs with disease are false.

#### **Identifying bed bugs**

*Bed bugs can often be found in, around and between:*

- Bedding
- Bed Frames
- Mattress seams
- Upholstered furniture, especially under cushions and along seams

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- Around, behind and under wood furniture, especially along areas where drawers slide
  - Curtains and draperies
  - Along window and door frames
  - Ceiling and wall junctions
  - Crown moldings
  - Behind and around wall hangings and loose wall paper
  - Behind carpeting and walls (carpet can be pulled away from the wall and tack strip)
  - Cracks and crevices in walls and floors
  - Inside electronic devices, such as smoke and carbon monoxide detectors
  - Because bed bugs leave some persons with itchy welts strikingly similar to those caused by fleas and mosquitoes, the origination of such markings often go misdiagnosed. However, welts caused by bed bugs often times appear in succession and on exposed areas of skin, such as the face, neck and arms. In some cases, an individual may not experience any visible reaction resulting from direct contact with bed bugs.
  - While bedbugs typically prefer to act at night they often do not succeed in returning to their hiding spots without leaving traces of their presence through fecal markings of red to dark brown color, visible on or near beds. Blood stains tend also to appear when the bugs have been squashed, usually by an unsuspecting host in their sleep. And, because they shed, it's not uncommon for skin casts to be left behind in areas typically frequented by bed bugs.

#### **Preventing bed bug encounters when traveling**

Because humans serve as bed bugs' main mode of transportation, it is extremely important to be mindful of bed bugs when away from home. Experts agree the the spread of bed bugs across all regions of the United States is largely attributed to an increase in international travel and trade. Travelers are therefore encouraged to take a few minutes upon arriving to their temporary destination to thoroughly inspect their accommodations, so as to ensure that any uninvited guests are detected before the decision is made to unpack.

Because bed bugs can easily travel from one room to another, it is also recommended that travelers thoroughly inspect their luggage and belongings for bed bugs before departing for home.

#### **Bed bug do's and don'ts**

- **Do not bring used furniture from unknown sources into your dwelling.** Countless bed bug infestations have stemmed directly from the introduction into a resident's unit of second-hand and abandoned furniture. Unless the determination can be made with absolute certainty that a piece of second-hand furniture is bed bug-free, residents should assume that the reason a seemingly nice looking leather couch, for example, is sitting curbside, waiting to be hauled off to the landfill, may very well be due to the fact that its teeming with bed bugs.
- **Do address bed bug sightings immediately.** Rental housing residents who suspect the presence of bed bugs in their unit must immediately notify the owner.
- **Do not attempt to treat bed bug infestations.** Under no circumstance should you attempt to eradicate bed bugs. Health hazards associated with the misapplication of traditional and non-traditional, chemical based insecticides and pesticides poses too great a risk to you and your neighbors
- **Do comply with eradication protocol.** If the determination is made that your unit is indeed playing host to bed bugs, you must comply with the bed bug eradication protocol set forth by both your owner and their designated pest management company.

**You are legally bound by this document. Please read it carefully.**

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Resident Signature

Date

Resident Signature

Date

Resident Signature

Date

Resident Signature

Date

# LANDLORD-TENANT MOVE-IN CHECKLIST

Property	Resident		
Apartment No.	Unit Size	Move-In Inspection Date	Move-Out Inspection Date

Item	Condition		Cost to Correct
	Move-In	Move-Out	
<b>ENTRANCE/HALLS</b>			
Steps and landings			
Handrails			
Doors			
Hardware/Locks			
Floors/Coverings			
Walls/Coverings			
Ceilings			
Windows/Coverings			
Lighting <sup>1</sup>			
Electrical Outlets			
Closets <sup>2</sup>			
Fire alarms/equipment			
<b>LIVING ROOM</b>			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Covering			
Lighting <sup>1</sup>			
Electrical outlets			

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Item	Condition		Cost to Correct
	Move-In	Move-Out	
<b>DINING ROOM</b>			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Lighting <sup>1</sup>			
Electrical outlets			
<b>KITCHEN</b>			
Range			
Refrigerator			
Sink/Faucets <sup>3</sup>			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Lighting <sup>1</sup>			
Electrical outlets			
Cabinets			
Closets/Pantry <sup>2</sup>			
Exhaust fan			
Fire alarms/equipment			
<b>BEDROOM(S)</b>			
Doors and locks			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Covering			
Closets <sup>2</sup>			
Lighting <sup>1</sup>			
Electrical outlets			

Item	Condition		Cost to Correct
	Move-In	Move-Out	
<b>BATHROOM(S)</b>			
Sink/Faucets <sup>3</sup>			
Shower/Tub <sup>3</sup>			
Curtain rack/Door			
Towel rack			
Toilet			
Doors/Locks			
Floor/Coverings			
Walls/Coverings			
Ceiling			
Windows/Coverings			
Closets <sup>2</sup>			
Cabinets			
Exhaust fan			
Lighting <sup>1</sup>			
Electrical outlets			
<b>OTHER EQUIPMENT</b>			
Heating Equipment			
Air-conditioning unit(s)			
Hot-water heater			
Smoke/Fire alarms			
Thermostat			
Door bell			
<b>TOTAL</b>			
1. Fixtures, Bulbs, Switches, and Timers 2. Floor/Walls/Ceiling, Shelves/Rods, Lighting 3. Water pressure and Hot water			

**Move-In**

This unit \*\*is in decent, safe and sanitary condition. \*\* Any deficiencies identified in this report will be remedied within 30 days of the date the tenant moves into the unit.

\_\_\_\_ Manager's/Landlord's Signature

I have inspected the apartment and found \*\*this unit to be in decent, safe and sanitary condition. Any deficiencies are noted above.\*\* I recognize that I am responsible for keeping the apartment in good condition, with the exception of normal wear. In the event of damage, I agree to pay the cost to restore the apartment to its original condition.

\_\_\_\_ Resident's Signature

\_\_\_\_ Resident's Signature

By	Date
Prepared	_____
Reviewed	_____
Prepared	_____
Reviewed	_____

**Move-Out**

\_\_\_\_ Manager's Signature

Agree with move-out inspection

Disagree with move-out inspection

If disagree, list specific items of disagreement.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_ Resident's Signature

\_\_\_\_ Resident's Signature

By	Date
Prepared	_____
Reviewed	_____
Prepared	_____
Reviewed	_____

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## VIRGINIA FIVE DAY NOTICE (NON-PAYMENT)

### Notice of Default – Failure to Pay Rent

TO: \_\_\_\_\_ FROM: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
In accordance with Section 55-225 and 55-248.31, Code of Virginia, you are hereby notified that you are in default in the payment of rent, late charges and miscellaneous charges as itemized below.

#### Itemized Charges

Rent for the month(s) of: \_\_\_\_\_

At \$ \_\_\_\_\_ per month: \$ \_\_\_\_\_

Late Charges for the month(s) of: \_\_\_\_\_

Total due landlord as of \_\_\_\_\_ \$ \_\_\_\_\_

If you fail to pay the full amount of rent due to your landlord within five (5) days of the date this notice was mailed, you may be subject to immediate institution of eviction proceedings. In accordance with Section 55-248.31, code of Virginia, you may then be liable for additional court costs and attorney fees.

Court Cost: \$ \_\_\_\_\_

Attorney Fees: \$ \_\_\_\_\_

Total attorney fees and court costs: \$ \_\_\_\_\_

You may avoid paying attorney fees and court costs only if the landlord receives the rent due within five (5) days of this notice. Postmarks will not be considered.

In addition, if rent is not paid within five (5) days, your landlord has the right to terminate your lease and regain possession of your rental property. If your lease is terminated and you are evicted, Virginia law (Section 55-248.35) gives the

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landlord a claim for damages for breach of lease. This claim may include the entire balance of your lease term.

Judgments are immediately reported to the credit bureau. Act now to protect your record.

If you believe your rent has been paid, contact the rental office immediately. Your payment of rent at this time is accepted only with reservation ad will not prevent the landlord from seeking possession of your dwelling in the General District Court.

In accordance with Section 55-248.31, code of Virginia, it is hereby certified that a true copy of the within notice of default was mailed to the tenant(s) names.

Therein, addressed to said tenant(s) at the address of the dwelling unit named therein all on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

BY: \_\_\_\_\_

Landlord's Authorized Representative

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## Eviction Process

**\*some processes may changed based on city or county\***

### **Step 1: Provide Notice to Tenant(s) Late Letters sent to you via mail every month on the 6th of the month.**

There are two reasons to evict a tenant: 1) failure to pay rent; and/or 2) failure to comply with the obligations under the lease.

If the tenant has not paid rent, landlord must give the tenant a “Pay or Quit” notice (sometimes called a five day notice). This notice gives the tenant five days to pay the rent or vacate the property from the date tenant was served with notice. See [Va. Code § 55-225](#). If tenant pays the overdue rent, tenant has the right to remain in the property.

If the tenant is not following a non-monetary lease term, the landlord must provide tenant with “Notice to Quit” (sometimes called a 30 day letter). This notice gives the tenant twenty-one days to correct the issue or vacate the property thirty days from the date tenant was served with notice. See [Va. Code § 55-248.31](#). If tenant corrects the issue in time, the tenant has the right to remain in the property.

### **Step 2: Summons for Unlawful Detainer-served to your door by the Sheriff's department**

Assuming the tenant does not pay the overdue rent and/or correct the non-monetary issue, the next step requires the landlord to file a summons for unlawful detainer. After providing proof to the court that proper notice was given, the court will issue a summons to the tenant with a “first return date.” This is similar to an initial hearing or appearance.

At this hearing, the judge will ask the tenant if the tenant admits or denies the allegations in the summons. If the tenant denies the allegations, a trial date will be set. The judge may instruct the landlord to provide a Bill of Particulars to explain why the landlord believes they are entitled to possession and judgment. Additionally, based on the Bill of Particulars, the judge may instruct the tenant to provide a Grounds of Defense to explain why the landlord is incorrect.

If the tenant admits the allegations or if the tenant fails to appear, the landlord may ask for an immediate Writ of Possession and a judgment for unpaid rent. See [Va. Code § 8.01-126](#). If you received a summons, whether for a landlord and tenant matter or another matter, do not ignore it!

**Step 3: Trial-** If tenant contests the allegations in the summons, a trial is held to determine whether the landlord is legally allowed to evict the tenant. If the court rules that the landlord has a proper basis to evict the tenant, the tenant has ten days to appeal this ruling. To appeal, the tenant must pay an appeal bond to the court at filing, which often includes all the money owed to the landlord plus up to one year’s future rent (though, often it is a few months).

Until a judgment is entered, the tenant can pay the landlord all unpaid rent, late fees, court costs, and attorney’s fees that are due and remain in the property. **The tenant can only exercise this right once**

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**every twelve months per landlord.**

**Step 4: Writ of Possession for Unlawful Detainer- filed by lawyer and served by Sheriff's Department**

If tenant does not contest the summons or landlord wins the trial (or appeal), the landlord may file a Request for Writ of Possession for Unlawful Detainer Proceedings to begin the actual eviction process. See [Va. Code § 8.01-470](#). This writ must be filed within one year of the judgment. See [Va. Code § 8.01-471](#). The court sends this request to the Sheriff's Office and the Sheriff's Office should execute the writ in fifteen days, but has thirty days from when the court signed the writ to execute the eviction. Generally, the Sheriff's Office will contact the landlord with the scheduled date of eviction and the tenant is given at least 72 hours notice.

Until the actual eviction begins, the landlord may continue accepting rent “with reservation” if proper notice is given to the tenant without losing the ability to evict the tenant.

**Step 5: Eviction-**

Although there are two types of evictions, most landlords use a “24-Hour Lock Change” eviction because it’s less expensive than a “Full Eviction.” In a 24-Hour Lock Change Eviction, the landlord must provide a locksmith to change all the exterior locks during the scheduled eviction. Within 24 hours after the eviction, the landlord is given possession of the property. For the next 24 hours, the property is essentially treated as a storage facility and the landlord must give tenant reasonable access to remove personal property, but tenant may not remain in the property overnight. After this 24-hour period, the landlord may sell or destroy any of tenant’s remaining personal property. See [Va. Code § 55-237.1](#). Neither the landlord nor Sheriff actually removes tenant’s property. If tenant remains in the property, the tenant is trespassing.

In a “Full Eviction,” the all of tenant’s property is placed on the nearest public right of way. The landlord must provide a locksmith (like in a 24-Hour Lock Change eviction) and enough adults to remove the property. The Sheriff’s Office will be present and is responsible for protecting the interests of the landlord and the tenant and may require the landlord to provide a moving truck, boxes, or other equipment to effectuate the removal of tenant’s personal property.

**SUMMONS FOR UNLAWFUL DETAINER (CIVIL CLAIM FOR EVICTION)**

Commonwealth of Virginia

VA CODE § 8.01-126

General District Court

CITY OR COUNTY \_\_\_\_\_

STREET ADDRESS OF COURT  
TO ANY AUTHORIZED OFFICER: Summons the Defendant(s) as provided below.  
TO THE DEFENDANT(S): You are commanded to appear before this Court on

to answer this civil claim.

RETURN DATE AND TIME \_\_\_\_\_

DATE ISSUED \_\_\_\_\_

[ ] CLERK [ ] DEPUTY CLERK [ ] MAGISTRATE

**CLAIM AND AFFIDAVIT:** That Defendant(s) unlawfully detains and withholds from Plaintiff(s):

ADDRESS DESCRIPTION OF DETAINED PROPERTY  
and that the Defendant should be removed from possession based on the following:

[ ] unpaid rent [ ]  
and further that rent is due and owing and damages have been incurred as follows:

\$ ..... rent due for ..... PERIOD ..... and \$ ..... late fee  
and \$ ..... damages for ..... with interest ..... RATE(S) AND BEGINNING DATE(S)

and \$ ..... costs and \$ ..... civil recovery and \$ ..... attorney's fees.

[ ] Plaintiff requests judgment for all amounts due as of the date of the hearing.  
[ ] This summons is filed to terminate a tenancy pursuant to the Virginia Residential Landlord and Tenant Act, § 55-248.2 et seq. of the Code of Virginia.

All required notices have been given.

Subscribed and sworn to before me this ..... day of ..... 20 .....

My commission expires: \_\_\_\_\_

[ ] CLERK [ ] DEPUTY CLERK [ ] MAGISTRATE [ ] NOTARY PUBLIC

[ ] City [ ] County of .....

**CASE DISPOSITION**

[ ] JUDGMENT that Plaintiff(s) recover against [ ] named DEFENDANT(S).

[ ] possession of the premises described above pursuant to § 8.01-128.

[ ] A hearing shall be held on ..... to establish final rent and damages.

DATE AND TIME \_\_\_\_\_

[ ] Immediate writ of possession [ ] ordered pursuant to Va. Code § 8.01-129 upon request of Plaintiff.

[ ] granted pursuant to Va. Code § 55-243(C) or § 55-248.34:1(C).

DEFENDANT(S) PRESENT? [ ] YES [ ] NO

DATE ..... JUDGE .....  
[ ] Rent, in the sum of \$ ..... and \$ ..... late fee  
and \$ ..... damages with interest ..... and

RATE(S) AND BEGINNING DATE(S)

\$ ..... costs and \$ ..... civil recovery and \$ ..... attorney's fees

[ ] and \$ ..... costs for Servicemembers Civil Relief Act counsel fees.

HOMESTEAD EXEMPTION WAIVED? [ ] YES [ ] NO [ ] CANNOT BE DEMANDED

[ ] JUDGMENT FOR [ ] NAMED DEFENDANT(S) [ ]

[ ] NON-SUIT [ ] DISMISSED DEFENDANT(S) PRESENT? [ ] YES [ ] NO

DATE FORM DC-421 FRONT 10/18

JUDGE

**CASE NO.**

PLAINTIFF(S) NAME(S) (LAST, FIRST, MIDDLE)

TELEPHONE NUMBER \_\_\_\_\_  
V.

DEFENDANT(S) NAME(S) (LAST, FIRST, MIDDLE)

TELEPHONE NUMBER

**TO DEFENDANT:** You are not required to appear; however, if you fail to appear, judgment may be entered against you. See the additional notice on the reverse about requesting a change of trial location and your right to prevent this unlawful detainer action through payment of amounts owed.

[ ] To dispute this case, you must appear on the return date to try this case

[ ] To dispute this case, you must appear on the return date for the judge to set another date for trial.

If you fail to appear and a default judgment is entered against you, a writ of possession may be issued immediately for possession of the premises.

Bill of Particulars ordered ..... DUE DATE

Grounds of Defense ordered ..... DUE DATE

ATTORNEY FOR PLAINTIFF(S)

TELEPHONE NUMBER

ATTORNEY FOR DEFENDANT(S)

TELEPHONE NUMBER

**DISABILITY ACCOMMODATIONS** for loss of vision, hearing, mobility, etc. Contact the court ahead of time.

**HEARING DATE AND TIME**

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[ ] Redemption tender presented; continued to:

HEARING DATE AND TIME

[ ] Defendant must pay:

\$ ..... RENT OWED

into the court to be held in escrow by

DATE  
and any rents coming due prior to the next hearing date must also be paid into the court.

JUDGE'S INITIALS

MONEY JUDGMENT PAID OR  
SATISFIED PURSUANT TO  
ATTACHED NOTICE OF  
SATISFACTION

DATE

CLERK

**REQUEST FOR WRIT OF POSSESSION IN UNLAWFUL DETAINER PROCEEDINGS**

Commonwealth of Virginia: Va. Code § 50.1-47

CASE NO. GV700525703

PETERSBURG

CITY OR COUNTY

[ ] General District Court

[ ] Circuit Court

TO THE COURT:

I/we, the plaintiff(s) in this proceeding, request that this court issue a writ of possession against the defendant(s) with regard to the following premises:

2306 DUPONT ROAD, APT. 3, PETERSBURG, VA 23803

This request is made upon a judgment for possession dated: SEPTEMBER 1, 2017

[X] As this case falls under the Virginia Residential Landlord and Tenant Act (§ 55-248.2 et seq.), I/we represent that, following the entry of the judgment for possession, the landlord has not accepted rent payments without reservation, as described in Virginia Code § 55-248.3(c).

09/22/2017

DATE

[ ] PLAINTIFF ATTORNEY [ ] PLAINTIFF'S AGENT

**WRIT OF POSSESSION**

Va. Code § 50.1-47a, b, c, d, e

TO ANY AUTHORIZED OFFICER:

You are hereby commanded, in the name of the Commonwealth, to cause the Plaintiff(s) to have possession of the following premises from the defendant(s):

██████████

2306 DUPONT ROAD, APT. 3, PETERSBURG, VA 23803

You are further commanded to make a return before me within 30 days of this date as to the day and manner of executing this writ.

CAME TO HAND

DATE AND TIME

09/22/2017

[ ] SHERIFF

EXECUTED by taking into possession the within-named premises and delivering possession of it to the plaintiff(s).

09/22/2017

[ ] SHERIFF

by [ ] SHERIFF

DATE

[ ] Clerk [ ] JUDGE