

Due to a recent case decision interpreting Federal Law regarding debt collection, a Landlord may wish to add specific language to the rental application, lease agreement, co-signor agreements, guarantor agreements and lease renewals to enable a landlord or anyone acting on its behalf to obtain consumer credit reports on debtors in conjunction with the post judgment collection process.

For rental applications, all potential tenants, co-signors and/or guarantors should fill out, sign and date rental applications authorizing such activity. The following language may be added to the application:

I CERTIFY THAT THE ITEMS IN THIS RENTAL APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. I HEREBY PROVIDE AUTHORIZATION TO OBTAIN AND VERIFY MY EMPLOYMENT, CRIMINAL AND CREDIT HISTORY AND TO OBTAIN CREDIT REPORTS IN CONNECTION WITH THIS APPLICATION. I FURTHER AUTHORIZE LANDLORD, ITS AGENTS AND/OR ATTORNEYS TO OBTAIN CREDIT REPORTS AND INFORMATION AT ANY TIME DURING AND AFTER MY TENANCY, IN THE EVENT OF A BREACH OF ANY LEASE OR TERM OF TENANCY.

For leases, lease renewals, co-signor agreements and/or guarantor agreements, the following language may be added:

TENANT ACKNOWLEDGES THAT THIS LEASE CONSTITUTES A VOLUNTARY CREDIT TRANSACTION. TENANT AUTHORIZES LANDLORD, ITS AGENTS AND/OR ATTORNEYS TO OBTAIN CREDIT REPORTS AND INFORMATION AT ANY TIME DURING AND AFTER THE TERM OF THIS LEASE IN THE EVENT OF A BREACH OF THIS LEASE.

With regards to tenants who are currently under a written lease agreement, you could add this language to the Lease at the expiration of their current lease term, when a new lease is entered into between the parties. With regards to tenants who are currently under an oral month-to-month rental agreement, you should enter into a written month-to-month lease agreement containing the language set forth above with said tenants.