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June Monthly Meeting

Picnic in the Park!

**Cunningham Park Gazebo, 26th & Maiden Lane, Joplin
Tuesday, June 17, 2008 5:30 p.m.**

Everyone is welcome to hear the new Joplin Police Chief Lane Roberts.

Cloud's Meats will be catering our dinner of BBQ Beef, Potato Salad, Rolls and a drink.

Dinner will be served promptly at 5:30. **The cost is \$8.00 per person.** Our speaker will start at approxi-

mately 6:15 p.m.

This is a change of location from our normal meetings. July will find us once again at the newly remodeled LaQuinta Inn. Our speaker will be Shelley Owen of S & J BioClean. They offer cleanup of up hazardous sites and meth labs. This should be really informative meeting.

Renters' Insurance A Risk Management Tool

The most efficient apartment housing and successful way to transfer risk through renters' insurance is by implementing a full participation program which mandates all residents show proof of insurance as a condition of residency. Residents too often believe the owner's property and casualty insurance covers their own personal property in the event of loss. Typically, this is not the case. The National Apartment Association strongly encourages the use of renters' insurance for all residents and communities should educate their renters on the many benefits the product provides.

Renters' insurance, an inexpensive product available to residents of personal property in the

A brief history of

rent-

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06/0108

Current Membership

Count:

52 Members Managing

735 Properties

2 Associate Members

Renters' Insurance—

Cont. from Page 1

ers' insurance. 1) Typically, apartment leases have not had language requiring renters to provide their own insurance; 2) there's been a general perception purchasing renters' insurance (which protects the renters' personal property and/or protects the renter from third-party damages such as dog bites) is the renter's responsibility; and 3) requiring renters to buy insurance would send them to competitors who didn't require insurance as a condition of residency.

Welcome New Members

R E Evans & Co. Rental
Rocky Evans

DSK Properties, LLC
David & Sally Kocurek

RentGrow
Tenant Screening

Rental Times

Rental Times is printed monthly. This publication supports the activities and events of the SWMRHA. Our main focus is to increase awareness of law changes and educating the Apartment Industry. Please take advantage of the great events listed in this issue.

Regarding market tolerance, many apartment owners and managers want their residents to be insured so in the event of a disaster, their renters have some protection as a way to replace their belongings and help with additional emergency living expenses. Owners are also realizing an effective renters' insurance program can also help reduce balance sheet losses related to resident-caused damage by transferring the risk to a third-party insurer.

Complicating the issue of offering renters' insurance was the licensure laws of offering insurance and the profitability of the policies for an insurance broker. The growth of the internet in the 1990s led to the creation of today's point-of-lease renters' insurance programs. Programs have been developed to comply with insurance department regulations. These programs make it easy to offer coverage with an attractive package to the resident, track insurance participation and increase the percentage of residents who obtain their own insurance.

Renters' insurance has become a necessary component of a multifamily housing community's strategic risk management program.

Renters' Insurance: Coverage.

While coverage and language often differ among insurance policies, most renters' insurance programs follow the same basic format. They are packages of personal property coverage, additional living expenses and personal liability insurance. The personal property coverage protects the insured from financial loss of the things they own. Additional living expense coverage helps the insured cover added costs incurred in the event something happens to their home or apartment. Additionally, liability insurance coverage damage to other residents caused by the policy holder.

With respect to the liability component of renters' insurance, one important issue is the protection afforded to the apartment owner. Keeping in mind liability coverage is meant to protect people other than the insured, many owners in-

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correctly believe they are covered by an insured resident's policy for any resident-caused damage (i.e., holes in the wall, broken windows, etc.). Most renters' insurance policies provide limited coverage for damages related to fire, smoke, and explosion (and in some instances water) caused by the insured.

Legal Overview.

Owners may require residents to purchase renters' insurance. At this time, there are no court opinions or statutes precluding apartment owners from requiring a resident to purchase renters' insurance via the lease or any other bidding contract. Owners should review lease language to ensure they can require renters' insurance as a condition of occupancy and failure to maintain the policy will result in the termination of residency and eviction. In the event an owner chooses not to require renters' insurance, the lease should inform the resident of the product and clearly explain the owner's

property and casualty insurance does not cover the resident's personal property.

In some states, courts have held that, absent an express agreement in a lease that places liability on a resident for the resident's negligence, the resident is considered a co-insured of the owner's property and casualty insurance policy. Therefore, owners should also include language in the lease providing the owner's insurer may pursue a subrogation action in the event the resident damages the rental unit or property at the community.

Best Practices. The most efficient and successful way to transfer risk through renters' insurance is by implementing a full participation program which mandates all

residents show proof of insurance as a condition of residency. Multifamily housing property owners who enforce renters' insurance as a condition of residency effectively reduce financial expenditures related to resident-caused damage by 79%.

The following list provides the 11 most important aspects of initiating a renters' insurance plan at a community or across a portfolio:

To achieve the most comprehensive risk management solution, implement a full participation insurance plan at

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Handy Web Sites for Helping to Screen Prospective Tenants

Court Records

<http://www.courts.mo.gov/casenet/base/welcome.do>

Nat'l Sex Offender Public Records

<http://nsopr.gov>

Newton County Sex Offender List

<http://www.sexcriminals.com/registration-notification/us/Missouri/newton-county>

Missouri Highway Patrol Sex Offender List

<http://mshp.dps.mo.gov/MSHPWeb/PatrolDivisions/CRID/SOR/SORPage.html>

Phone Number and Reverse Phone Numbers

<http://www.whitepages.com>

Send your comments or suggestions for our newsletter to:

Cheryl Brown, EO,

SW MO Rental Housing Assoc.,

P O Box 1801

Joplin, MO 64802-1801

Ph: 417-781-3337

e-mail: info@swmorental.com

your community requiring proof of insurance as a condition of residency. Without this requirement, most residents are not motivated to provide coverage for themselves which leaves the community exposed to financial risk.

Partner with a licensed renters' insurance broker whose underwriter is rated an "A" or "A+" by AM Best Company.

Specify a dollar amount with respect to the minimum liability covered.

Communicate to the residents that they are free to obtain coverage from any carrier as long as the minimum liability threshold is met.

Request that the client is listed on the policy as an "additional interest" or "interested party" so they are notified in case of changes to the policy, including cancellation.

Ensure that the coverage limit specified is considered "reasonable" for the asset being rented – the property owner cannot pass on their financial responsibility to the resident.

Work with a provider capable of developing a customized solution that meets specific needs.

The program should be easy to implement without putting an additional burden on the property or the leasing staff. The insurance provider should manage all aspects of training, marketing and administration, as well as customer service and claims management.

Communicate the value of renters' insurance to current and prospective residents. These products provide a safety net for residents when affected by disaster and provide them with a way to recover financial loss.

When possible, use a renters' insurance solution that integrates into property management software platforms, or confirm the provider will alert the leasing staff when a resident's policy expires or is cancelled. This helps to ensure residents remain in compliance with the lease and risk is minimized.

Update lease language to ensure the right of subrogation and the right of the owner to require renters' insurance.

Conclusion. Apartment owners and managers should strongly consider requiring residents to purchase renters' insurance. At a minimum, owners and their managers should educate residents on the value and benefit of the product encouraging residents to purchase coverage. Lease language should be reviewed to ensure: 1) The owner has the ability to require insurance; 2) The community's insurance company can subrogate against the resident in the event of damage to the property; and, 3) the owner's property and casualty insurance does not cover the resident's personal property.

Taken from the NAA Renters' Insurance White Paper.

**163 Hits on Our
Web Site Last Month!**

RentGrow “In The Know”

DO YOU KNOW WHO YOUR RESIDENTS ARE? TIPS ON CRIMINAL SCREENING

While the subject of “criminal screening” may sound cold or even offensive to some applicants, it’s important to remember this: whether property owner or resident we *all* want safe and peaceful places to live. In the multi-family industry, criminal screening has become one of the most important components in accomplishing this goal. Criminal screening protects your residents and your property. It’s a key marketing point to let applicants know that they’ll be living in a safe environment. And, in some cases, you may *need* to conduct criminal screening to comply with state and federal regulations.

However, this sort of screening – unlike credit checks – is still in its infancy. So how do you know if your criminal screening policy is effective, yet fair and consistent? Consider the following tips.

Carefully define your criminal criteria.

Determine what offenses are unacceptable. For example, you may identify specific types of misdemeanors, such as those that are violent towards people, or felony convictions within the last 5-10 years.

Educate yourself on discrimination

laws. Remember, look only at the records. Don’t make assumptions based on things like a name or a personal characteristic that someone may or may not be a criminal. Consistency protects you, so treat all applicants equally. For example, you can’t reject someone based on a criminal screening if you’re not

screening everyone. Make sure your policies are documented and that they fall within any federal, state or county guidelines.

Verify that you have the right applicant.

You should always verify the applicant’s identity *before* you even begin the process of criminal screening (or credit checks). For example, say your applicant’s name is Chris Smith. While your applicant might be female, the record that comes up might be for a male. Methods for verifying an applicant’s identity include checking government-issued IDs, such as drivers’ licenses, social security cards, or passports. Cross checking can also be valuable.

Streamline the criminal screening process through a third party, such as RentGrow.

Set specifications with your screening partner to filter results based on your specific criteria. This helps take the burden off your leasing agents and lets them focus on the job they do best -- attracting residents.

Look beyond the data. Choose a screening partner who can help you interpret results and whose service provides a recommendation to accept or decline the applicant.

Keep in mind that for affordable properties, certain rules exist for resident selection:

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Southwest Missouri Rental Housing Association
Minutes of the Board of Directors meeting
Friday, May 16, 2008
Rescheduled from Tuesday, May 6, 2008

Meeting called to order by EO Cheryl Brown at 6:00 pm, at the Ranch House, in Carthage.

Attendance: VP/ Membership, Daryl Rhodes (09), VP/Education, David Enke (09), Secretary, Lyn Enke (08), VP/Community Affairs, David Reeder (08), Treasurer, Billie Lammers (08), EO, Cheryl Brown,

Approval of April 1, 2008 BOD minutes, motion by D. Enke, D. Reeder, carried.

Treasurer's Report: Current Regular Checking \$318.91
 Current Money Market \$4949.97

a. All agreed to transfer funds from MM to regular checking..
Motion to accept Treasurer's Report by D. Enke, D. Reeder, carried.

Membership Report

- a. Total to date: 52/735.
- b. Present at last Membership meeting: 23 paid meals, 26 present.
- c. Inquires: None
- d. New Members: Assoc. Member, RentGrow. Vote on new members: Motion by D. Enke, D. Rhodes, carried.
- e. Visitors present at April Membership meeting: Tabassum, Saba; Cindy Mauller; Roscoe Evans; Cindy Long; Michael Simpson.

Speakers:

- a. May: Joplin Mayor, Gary Shaw, and John Hutchison-Credit Reports
- b. June: Picnic in the park, Speaker: Chief Lane Roberts.
- c. July: Shelli Owen, S&J BioClean (Bio-Hazard cleanup i.e. Meth, pet odor, etc.)
- d. Other topics to consider: Equifax Credit Bureau, Collection Agency, MAA President, State Rep's and Mayor's of surrounding communities. Jim Murray of Diamond Police Dept.

Old Topics:

- a. Advertising:
 1. New Assoc. Brochure was handed out to BOD Members for distribution. These will be available to members at the May 20th meeting
- b. Report from By-laws Committee, BOD members reviewed changes and accepted. Motion by D. Reeder, B. Lammers, carried. Updated bylaws will be published for 40 Days before membership vote.
- c. June meeting in Cunningjam Park, Park has been reserved. We need to know how many members/guest will be attending so we may place order with Caterer. Charge is \$8.00 per person. Motion by D. Reeder, B. Lammers, Carried.

New Business:

- a. Received oral resignations from Judy Flenner, President and Jane Bryson Vice President. The Board deemed it necessary for both parties to submit formal Letters of Resignation. BOD agreed to ask for members to volunteer for the vacancies on the BOD.
- b. BOD discussed the numbers or times a guest may attend membership meetings before being asked to join the Assoc. BOD agreed to allow a guest to attend 1 meeting, pay the same price for the meal (\$10.50) and will not receive Assoc. handouts or forms.
- c. In the August newsletter we will start reminding members that annual dues are due in Oc-

tober.

- d. May meeting we will have a questionnaire for members about ideas regarding speakers.
- e. Received confirmation from NAA that they have received our Roster for April 2008

Next BOD Meeting: June 3, 2008 Keller-Williams Realty, 15th St. Joplin at 6:00 pm.

Meeting adjourned at 8:30 pm, motion by D. Enke, D. Rhodes, carried.
Lyn Enke, Secretary

Southwest Missouri Rental Housing Association
Minutes of Regular Membership meeting
Tuesday, May 20, 2008

Meeting called to order by EO, Cheryl Brown

Paid meals: 23, Present: 26 Tonight's meal was catered by Schlotsky's due to LaQuinta cancelling our meal on Friday, May 16th at 3:00 p.m.

Visitors Present: Roscoe Evans, Cindy Long, David and Sally Kocurek (DSK Properties) all joined as new members.

Treasurer's Report as of May 16, 2008: Regular Checking \$318.91; Money Market \$4940.97.

Membership Report as of May 20, 2008: Total-to-Date; 53/735. Present at May meeting, 26 members/guests. New Associate Member; RentGrow.

Upcoming Speakers: June- Picnic in Cunningham Park catered by Clouds Meats.
Speaker, Chief Lane Roberts. July- Shelli Owen, S&J BioClean.

Tonight's Speaker was Joplin Mayor Gary Shaw. He spoke about the future of Joplin, new businesses that will be coming to Joplin, and bringing new jobs. He told us about the Joplin Police Department receiving accreditation, new construction projects around town and the role landlords and other citizens play in showing pride in their community.

John Hutchison was scheduled for a second time to speak about credit reports but was absent from the meeting.

Reminders: Next Board meeting will be June 3rd, at Keller Williams office at 6:00 p.m.

Next Membership meeting, June 17th at Cunningham Park. Speaker, Joplin Police Chief,
Lane Roberts.

Meeting adjourned at 7:05

Lyn Enke, Secretary

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Any advice you may receive from any Director or Officer of the Association is simply our experience or willingness to help and is not to be construed as legal advice. Our intent is to network and to share our experiences with other members. We are not responsible for the legal content of any forms we provide our membership.

Criminal Screening

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Owners must develop and make public written selection policies.

The plan must include any preferences in the admission of residents.

The restriction or preference must cite the supporting documents to ensure non-discrimination.

If you handle the criminal screening process in-house, use consistent staffing and follow consistent procedures:

Limit access to staff that have been fully trained in order to eliminate inconsistencies.

Provide written, step-by-step instructions for staff to ensure consistency.

Use standard forms so that each applicant is subject to the same practices and will receive the same consideration.

Use objective criteria.

Follow a formal written process for collecting information. Owners should be careful



Did you know that NAA offers training for the rental housing industry. By joining our Association, you are a member of the National Apartment Association and may participate in these training events.

about informal information “gossip” about an applicant. Such information is discriminatory and will affect applicants inconsistently, since the owner does not collect this for all applicants.

Remember, information collected from the criminal screening process enables property owners to make informed and objective decisions. An effective screening policy will also ensure fair, consistent, and equal treatment of applicants. Last, but certainly not least, criminal screening will help create a safe place for residents to live – and peace of mind for you.

Preferred Vendor List

Metro Builders Supply	417-782-1008
Contact Tom Mourning	417-438-1478
RentGrow—Tenant Screening	800-736-8476

Don't understand about Section 8 housing? Try this web site to answer some of your questions:
<http://www.gosection8.com>

Legislative Updates

This session of legislation has come to a close. Here is a listing of some of the new items that made the grade and have become or will be come law in Missouri. Listed below are the one that may impact rental/landowner members.

- Ethan's Law, requiring for-profit swimming pools to carry at least \$1 million in liability insurance.
- Sanctuary cities are outlawed, and illegal immigrants cannot receive public benefits, get a driver's license, get a job, or be transported or concealed by others.
- Many telecommunications services have been largely de-regulated.
- Employers are prohibited from implanting subcutaneous identification chips in the bodies of employees.
- Convicted felons are prohibited from possessing explosive weapons.
- Criminal penalties were established for mortgage fraud.
- A fund to supplement the salaries of county deputy sheriffs was established.
- Property tax relief, in the form of required levy rollbacks during times of rising reassessments and increased disclosure to taxpayers, as well as an increase in the circuit breaker tax credit.
- Registered sex offenders are required to register all online identifiers and avoid handing out candy at Halloween.
- The stalking and harassment laws are extended into cyberspace.
- Rural electric cooperatives are allowed to trim or remove trees and other vegetation that could threaten service during storms.
- Several measures designed to catch thieves stealing copper and other metals were authorized.
- An e-waste recycling program for old computers and such was established.
- A "hot weather rule" was created, prohibiting utilities from denying service during brutally hot days.
- The ice cream cone is the official state dessert.
- A budget that spends more than it takes in was passed.

**SOUTHWEST
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HOUSING
ASSOCIATION**

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Joplin, MO 64802-1801

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E-mail: info@swmorental.com

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'NO CALL' LIST

You may sign up for the Missouri Attorney General's "No Call" List. Call toll-free 1-866-NOCALL1 or log on to:

www.moago.org.

Credit Reports

Fax your authorization forms to

John Hutchison at

673-1191

Or call John at

673-0001

\$8 Individual

\$12 Married

(plus surcharges)

Rental Times

Each member of this Association shall:

- Strive continually to promote the education and fraternity of the membership and to promote the progress and dignity of the apartment/rental housing industry.
- Maintain and operate our apartment/rental housing projects in accordance with fair practices and in compliance with the By-Laws of the Association.
- Promote and maintain a high standard of integrity in the performance of all rental obligations and services in the operation of our apartment/rental housing projects.
- Establish high ethical standard of conduct with suppliers and other doing business with the apartment/rental housing industry.
- Endeavor to expose all schemes to misleads or defraud the apartment/rental housing residing public and to aid in the exposure of those responsible.
- Seek to provide better values in apartment/rental housing.

Purpose

- The purpose of this Association shall be:
- To advance the general welfare of the rental housing industry.
- To participate for the purpose of mutual benefit in an interchange of information and experience with all state and local affiliated associations of the National Apartment Association.
- To encourage within the apartment/rental housing industry a high appreciation of the objectives and responsibilities of apartment/rental housing owners and operators in providing adequate privately owned housing.
- To promote the enactment and enforcement of local, state and federal laws beneficial to the apartment/rental housing industry and free enterprise.
- To disseminate useful information to all members and inspire them to further educate themselves in the practical features of their apartment/rental housing operations.
- To advocate a code of ethics to maintain high professional standards and sound business methods among its members for the best interests of the industry and the public.

Upcoming Events and Dates to Remember

June 17 regular membership meeting at 5:30 p.m. at **Cunningham Park, Joplin.** Joplin Police Chief.

July 1 Board of Directors meeting at Keller/Williams Realty, 15th Street, Joplin 6:00 p.m.

July 15 regular membership meeting 5:30 p.m. at

LaQuinta Inn, Joplin. Shelley Owen with S & J BioClean.

August 5 Board of Directors meeting at Keller/Williams Realty, 15th Street, Joplin 6:00 p.m.

August 19 regular membership meeting, 5:30 p.m. at LaQuinta Inn, Joplin.

September 2 Board of Directors meeting at Keller/Williams Realty, 15th Street, Joplin 6:00 p.m.

September 15 regular membership meeting 5:30 p.m. at LaQuinta Inn, Joplin.