

Tenant Leasing Transaction Guide

This document will serve as an outline for an agent representing a Tenant in the leasing of a rental property. The information, steps and procedures in this document are meant to be comprehensive for all types of rental properties. Every single step may not be required for every type of transaction. Just ignore those items that do not apply for a particular property type or situation.

This document starts at the point when your customers have decided on a place they want to lease (rent). It will guide you through the transaction until you can receive your commission check.

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Transaction Phases:

There are 4 phases to a Tenant rental transaction. Offer, Negotiation, Approval and Possession.

Offer - This is when you are collecting and completing the forms and paperwork needed to present to the Listing Agent so that the property owner (the Landlord) can approve your customer as a Tenant. This document will refer to multiple occupants as Tenant.

Negotiation - Once the Landlord has reviewed all the documents, they can either accept your Tenant's offer, reject your Tenant's Offer or negotiate on any of the terms in the Contract to Lease. Should there be any changes to the Contract to Lease, make sure both parties initial any changes and date the initials so everyone knows when they were accepted. It may be necessary for a new Contract to Lease to be made up that incorporates all the changes to have a cleaner, easier to understand document.

Approval - This is when the Landlord approves the Tenant. If there is a condo association or homeowner's association, the Tenant will be expected to complete their rental approval application process. Help them in gathering all the requested documents asked for in the association's application instructions and verify that the application is complete before it is submitted to the association. There may be forms in the association's application package that will require the landlord signature. Be sure to have the listing agent get that for you if they haven't done it already. It is also a good idea to take the application to the association's office and submit the package yourself so that you know that it arrived and they have your business card should there be anything you can help with.

Possession - This is the day that the Tenants take possession of the rental property. On this day, the will Tenant exchange "Cash For Keys". That is to say, the Tenant delivers the rest of the funds required to take possession of the property and they are then given the keys to the property. Once the Tenant has possession and the Walkthrough form is submitted to the transaction management system, Castelli's accounting department will release your commission check.

Parties involved:

Party/Person	Responsibility
Leasing Agent (Yourself)	You are the agent helping the Landlord to lease their property. It is your task to help educate the Landlord, make sure all required documents are completed and delivered in a timely manner and to verify that other parties are completing their tasks on time.
Tenant	These are the people looking for a place to lease a property.
Listing Agent	This is the agent who has the Landlord that has decided to offer their property for lease. We are permitted to work with a Tenant who wants to make an offer on a listing that you have. You just need to make sure you disclose this fact to all parties involved.
Condo/Home Owner's Association	If the property is governed by an association, whether it is a Condominium or a Home Owner's association, this body of people will generally have the right to approve the Tenant to lease the property given the guidelines outlined in their association's documents. Very often you will have to work through the company they have hired to manage the property.

Most Commonly used Forms and Documents are:

Document Name	Found At	Completed By	Sent TO	Description
Contract to Lease	Transaction Desk, Form Simplicity	The Leasing Agent, signed by the Tenant(s) and the Landlord(s). This is part of the offer.	The Tenant(s), the Listing Agent, Office transaction management system.	The is the contract used to outline how the Tenant wants to structure their lease of the property. When signed by both parties, Tenant(s) and Landlord(s), it is a binding, legal contract.
Financial Risks Associated with Rental or Lease of Property	Transaction Desk, Form Simplicity	The Leasing Agent, signed by the Tenant(s).	The Tenant(s), Office transaction management system.	This disclosure is included with any residential leasing transaction. It is required by our insurance carrier.
Tenant Application Fee Disclosure & Authorization for Credit Information	Transaction Desk, Form Simplicity	The Leasing Agent, signed by the Tenant(s).	The Tenant(s), Office transaction management system.	This disclosure is included with any residential lease transaction. If the commission to the agent is less then \$1,000, the Castelli Fee is \$50. If the commission to the agent is greater then \$1000, the Castelli Fee is \$100. The Tenant(s) do not have to use our service to get a copy of their credit report, they are welcome to use a copy that they obtain themselves, usually for free or very little cost.
Deposit Check equal to one month's rent plus the Castelli Fee. This must be a money order or cashier's check.	The Tenant's financial institution or money order issuer.	Tenant(s)	The Tenant(s), the Listing Agent and Office transaction management system.	The deposit funds are collected when the Tenant(s) sign the Contract to Lease. Proof of the deposit (copy of the check or escrow letter) is to be included with the documents sent to the listing agent. Generally, it is from these funds that the real estate agents commissions and Castelli Fees are paid.

Document Name	Found At	Completed By	Sent TO	Description
Castelli Real Estate Contract Info and Escrow Deposit	Transaction Desk, Form Simplicity	The Leasing Agent	Office transaction management system when the Contract to Lease is sent to the Listing agent.	This is the form sent to the transaction management system that summarizes the terms of the contract and any related escrow deposit made into Castelli's escrow account
Escrow Deposit Letter	Office transaction management system or Title/Closing Company	Office transaction management system or Title/Closing Company	The Tenant(s), the Listing Agent.	This letter is proof that the Tenant(s) have deposited funds into an escrow account as required by the contract. Very often a copy of the check or money order from the Tenant(s) is sufficient.
Condo/ Homeowner's Association purchase/leasing Application and associated documentation	The Association or their Management Company	The Tenant(s) should completely fill this in, supply all required documentation and submit all this with the required fee to the association/management company for leasing approval.	The Association or their Management Company	When a property is governed by an association that requires they approve the Tenant(s), this is the application and instructions that must be completed and all requested documents attached so that the association can go through the process of approving the Tenant(s) to lease this property.
Condo/ Homeowner's Association purchase Approval	The Association or their Management Company	The Association/ Management Company.	The Tenant(s) and Listing Agent.	This is the document that shows the Tenant(s) have been approved to lease the property.
Possession Check	The Tenant's financial institution or money order issuer.	Tenant	Listing Agent or Landlord.	This is the cashier's check or money order that the Tenant brings when they take possession of the property.

Document Name	Found At	Completed By	Sent TO	Description
Castelli Real Estate Check Request Form	Transaction Desk, Form Simplicity	The Leasing Agent	Office transaction management system.	This form is completed and sent to the transaction management system when getting ready for the Tenants to take possession of the property. This must be done with enough lead time for accounting to write up the checks and get them to you so you can bring the Listing Agent's check with you. The leasing agent's check will not be released until the completed walkthrough has been turned in.
Walk Through Inspection	Transaction Desk, Form Simplicity	The Leasing Agent	The Tenant(s) and Office transaction management system.	This form shows any issues that may exist in the property at the time of possession. When the Tenant(s) leave the property, they can use this form to not be held accountable for pre-existing issues.

Information needed to complete a Contract to Lease:

Contract to Lease	Section	Description	Found At
Landlord's Name(s)	1	The names of the current property owners as found on the title.	BCPA.net or IMMap. Click on the folio number in the listing and the IMMap record will come up.
Tenant(s) Name(s)	1	The names of the Tenant(s).	Tenant(s). Please do make sure the names match their driver's license.
Deposit Amount	2	The amount of the deposit, usually 1 month's rent plus the Castelli Leasing Fee.	MLS.
Deposit Holder	2	Should be Castelli Real Estate Services.	Your Broker.
Property Address	3	The full address of the property.	MLS.
Furnished Information	3	Is the property to be rented furnished or unfurnished.	MLS.
Additional Occupants	3	Are there any additional occupants other than on the Contract to Lease such as children.	Tenant(s)
Lease Term	4	When does the lease start and end. Most leases are for 1 year, some seasonal rentals may be for several months.	Tenants
Money Due Before Occupancy	5	The total amount of funds due by the time the Tenant(s) take possession of the property. This will include first month's rent, security deposit, possibly pet deposit, possibly association deposit and sometimes last month's rent. Break out the each type of fund and that it should add up to the total at the beginning of the section.	Leasing Agent (you)
Deposit will be credited as follows:	5	How will the deposit funds held in escrow be used. Almost always as the first month's rent.	Leasing Agent (you)

Contract to Lease	Section	Description	Found At
Rent Payments and taxes	6	<ol style="list-style-type: none"> Total rent for the lease term (monthly rent times the number of months of the lease). Taxes paid by the tenant(s). Leases of 6 months or less require a 11% tax. Leases of 6 months + 1 day or more do not require any taxes. Is rent to be paid in full (one lump sum, common for short term leases) or monthly (common for annual leases) and what day of the month is it due (usually the 1st of the month unless there are extenuating circumstances). 	Leasing Agent (you)
Pets	7	Are pets allowed, if so, describe each pet the Tenant(s) have.	Tenants
Smoking	8	Is smoking allowed in the unit. Almost always it's prohibited unless the listing agent says it's ok.	Listing Agent
Utilities	9	What utilities are paid by the Landlord. Will depend on the property. Most condos this will be Water, Sewer and Trash. If a Single Family Home, this will usually be blank. Town Homes, depends on the property. Ask the List Agent.	Leasing Agent (you) and Listing Agent
Maintenance	10	What is the tenant responsible for maintaining. In condos and apartments, usually this is blank. If it's a single family home, the Tenant(s) may have to maintain yard, pool, etc.	MLS and Listing Agent.
Association Approval	11	<ol style="list-style-type: none"> Who pays for the association application fee (almost always the Tenant(s), keep in mind, unmarried couples often have to pay double the single person fee but married couples can pay the single person fee. How much is the fee. When will the application for the association approval be dropped off. Allow enough time for the Landlord to complete the lease and for you to get all the signatures on the lease as that is very often required for the application. 	MLS and Leasing Agent (you).
Additional Terms	12	Usually left blank unless there is something that needs to be done to the property or the Landlord has other requirements. If not blank, this should be an addendum from an attorney.	Leasing Agent (you) or an attorney.

Transaction Steps:

This is an outline of the tasks needed to be done from writing up a Contract to Lease, presenting it, getting it accepted and seeing the transaction through to possession. There can be less or more items depending not the requirements of the property and the type of property being leased.

Done	Task
	Tenant(s) complete Tenant Application(s)
	Have tenant(s) run and print credit check(s) via MyFreeCreditReport.com or CreditKarma.com to include credit scores and history.
	Have tenant(s) run and print background check(s) via www.USSearch.com to include criminal and eviction history.
	Last 2 pay stubs from tenant(s) or most recent tax returns or other income statements.
	Complete Contract to Lease via Transaction Desk from MLS and have tenant(s) sign.
	Tenant(s) sign Financial Risk statement.
	Tenant(s) sign Castelli Transaction Fee Agreement.
	Collect Castelli Trans fee and 1 st mo's rent in cleared funds. If wired add \$15 for Castelli Wire In Fee.
	Make copy of check(s) for first month's rent or get escrow letter for wired in funds.
	Make copy of tenant(s) Driver's License.
	Get picture of pet(s) if applicable.
	Email Contract to Lease and above supporting docs to Listing Agent.
	Call and text Listing Agent to confirm receipt of above.
	Submit 1 st mo's rent, Cast Trans Fee, etc. to Robbie with Contract Info Sheet / Escrow Dep form
	Get Contract To Lease and Lease signed by landlord. Verify the lease is correct.
	Landlord's Furnishing's inventory signed by Landlord and Tenant(s) if applicable.
	Have tenant(s) sign Lease and Landlord Tenant Act. Get executed copy back to Listing Agent.
	Executed copy of Contract To Lease, Financial Risk, Trans Fee Agrmnt and Lease to Robbie.
	Get condo/HOA app from Listing Agent or Management Co. and have tenant(s) complete.
	Submit complete condo/HOA app with app fee, lease and all other required docs, etc. to assoc.
	Schedule condo assoc interview / orientation.

	Get Tenant's Certificate or Approval from assoc.
	Update MLS listing to B or PS.
	Tenant pay condo security deposit, key deposit, moving in deposit, etc. to Assoc if applicable
	Check request to Robbie for commissions, etc.
	Have tenant switch FPL into their name.
	Schedule walk through with yourself, tenant(s), Listing Agent and/or landlord.
	Tenant have Proration, Security Deposit, last month's rent, pet deposit, etc. in cleared funds made out to Landlord of Landlord's designee at walk through.
	Get check from Castelli accounting Dept. to bring with you to the Walk Through
	Walk through day of move in.
	Walk through form signed by tenant(s) and landlord(s) or designee.
	Door key, mailbox key, gate access device/code, laundry key, storage key, etc. to tenant at walk through.
	Co-Broker's commission to agent.
	Update MLS to show listing is rented.
	Signed walk through, etc. to Robbie.
	Lockbox off property.
	Sign down from property.
	Take tenant off MLS search.
	Make sure Listing Agent gave you/Castelli credit in MLS for bringing tenant.
	Get Commission.