



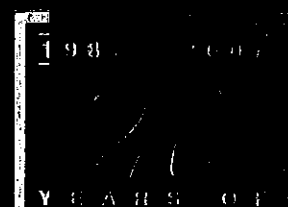
**Residential Leasing  
& Management**

**8400 N. Mopac Expressway  
Suite 200  
Austin, Texas 78759**

**(512) 345-9886**

**[www.recar-realtors.com](http://www.recar-realtors.com)**

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AUSTIN, TEXAS 78759

512-345-9886  
Fax 512-345-2302  
www.recar-realtors.com

*TO OUR PROSPECTIVE CLIENTS,*

*Thank you for allowing us this opportunity to introduce you to Recar & Associates, your full-service property management and brokerage company.*

*Since 1987, hundreds of Austin-area rental owners have relied upon Recar & Associates to free them from the concerns of managing their own property. From condominiums and duplexes, to apartments and residential homes, we have proven time and time again that we can handle even the most special circumstances that arise.*

*With Recar & Associates, you can count on our reputation for managing your property with the same care and concern you yourself would if you had the time, the years of experience, and the expertise to do so.*

*At Recar & Associates, we do!*

*Our staff of dedicated real estate professionals not only takes care of the details of your property management, we stand committed to preserving and enhancing your investment's value as well. And if you were not referred to us by another real estate professional, we can also assist you in buying or selling your investment properties.*

*The Austin-area rental market is constantly changing. By being licensed REALTORS<sup>®</sup>, and choosing to specialize in Property Management and Residential Leasing, we stay on top of those changes. We are uniquely qualified to give expert up-to-date rental valuations and suggestions to maximize your rental returns when the market is up, and to help you understand and plan strategies for dealing with the market when it's down. Because we've experienced all types of market conditions, you have valuable information available to you that most individual property owners don't have – you have the services and resources of Recar & Associates!*

*We appreciate the opportunity to work with you and serve your real estate needs.*

*Sincerely,*

A handwritten signature in black ink that reads "Greg A. Fedro". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Greg A. Fedro, MPM  
Director of Operations

## ABOUT OUR FIRM

Recar & Associates is a full-service real estate company, offering expertise in property management, leasing and sales. We take an innovative, yet realistic approach to business and focus on the individual needs of our clients.

At Recar & Associates, we are often called upon to act as market analysts, advertising executives, salespeople, financial advisors, accountants, diplomats, and maintenance engineers. Flexibility, versatility, continuing education, experience, and customer loyalty...these are the keys to our proven track record in taking care of our clients.



Monitoring the economic and demographic trends in the local real estate market is one of the most important aspects of our approach. Being up-to-date and knowledgeable of our changing market is the key in determining what approach is best taken in marketing your property – we recognize that all properties are not alike! Our leasing and sales agents can provide a specialized focus on your property and help you reach your goal of leasing or selling effectively.

Our comprehensive approach to property management, expertise in sales and leasing, genuine concern for our clients' best interests make Recar & Associates the logical choice for property management brokerage.

Recar & Associates is a professional, innovative Real Estate company dedicated to serving our community through sales, leasing and property management in an ever-changing market. Our primary concern is you, the customer. We practice Real Estate with a "personal touch". Customer service is not part of our business, it is our business.

## OUR OBJECTIVES

*The objectives of Recar & Associates are quite simple...*

To be professionals who excel in our fields of expertise

To provide a sincere and personal service

To provide our clients with fresh ideas and "cutting edge" technology

To be competent and dependable

To grow and gain new clients through successful customer service

## PROPERTY MANAGEMENT

Property management is a highly specialized, multi-faceted sector of the real estate profession. Recar & Associates' commitment to our clients is to achieve the objective of the property owner, to generate the greatest possible net income, and to preserve or increase the value of the investment property. The secret of our success...*we manage our properties as if we own them!*

Maintenance is a continuous process of balancing services and costs, satisfying the needs and desires of tenants while maintaining the physical condition of the property in a cost-effective manner. We accomplish this by:



- Holding a ceiling on routine operating costs
- Helping owners budget for the long-range costs of maintaining their asset
- Implementing preventative maintenance programs
- Utilizing only experienced, licensed, and bonded contractors for quality repairs
- Conducting ongoing vendor interviews in order to get the best service at the best value



As a Recar & Associates owner client, you will enjoy the following services:

- Monthly disbursements and financial statements sent between the 10<sup>th</sup> and 15<sup>th</sup> of the same month of collection
- Automated clearinghouse (ACH) deposits for faster funds transfer
- Easy-to-read financial reporting
- Drive-by property inspections
- On-call emergency maintenance services
- Annual property photos
- Professional tenant screening
- Informative newsletters about market conditions, economic trends, and other areas pertinent to your investment property

## WHY RECAR & ASSOCIATES SHOULD MANAGE YOUR INVESTMENT PROPERTY

Recar & Associates has worked hard to develop a reputation for providing professional and comprehensive management service. Because we place great importance on meeting the needs of both the tenant and property owner, we maintain some of the highest occupancy and retention rates in the Austin area. We also enjoy a large referral business from Realtor peers, as well as other members of the Austin community.

Some of the services that have helped us achieve this outstanding record:

- ✓ Management in a proactive, not reactive, style
- ✓ Experience in managing both single and multifamily investments
- ✓ Clear and concise monthly accounting statements to owners
- ✓ Preventative maintenance programs to promote long-term property value retention
- ✓ Regular drive-by inspections
- ✓ Timely and informative tenant and owner newsletters
- ✓ Aggressive advertising in a variety of media
- ✓ Effective communication alternatives (voicemail and email) to work with your schedule, no matter what it might be
- ✓ Professional agents and property managers who are licensed Realtors
- ✓ New tenant orientations to cover guidelines and responsibilities of their rental housing
- ✓ Membership in national relocation networks, specializing in corporate relocations
- ✓ Computerized access to all available properties in the Austin metroplex, for an up-to-date picture of the local market
- ✓ Supra II keysafe system utilization for accessing your property safely and easily
- ✓ Contracted professional tenant screening services that provide unbiased, comprehensive background information on all prospective tenants
- ✓ State promulgated forms that are updated with timely legislative changes

## LEASING & MARKETING SERVICES

When you commit to putting the resources of Recar & Associates to work for you to market your investment property, you receive our commitment to provide a level of service unsurpassed in the Austin market. Our primary goal is to generate the maximum profit potential of your investment by utilizing our proven strategies for the marketing of your income property.

Because we are selective in the properties we manage, we can help you capitalize on the excellent reputation that Recar & Associates has built by assisting other property owners like yourself.

Our marketing efforts help property owners make the most of our ever-changing rental market. We keep abreast of the factors that affect the marketing of your property and work to establish the highest rental rates that the property will bear. We combine years of experience with a keen sense of the current market to maximize rents and keep vacancy loss to a minimum. In addition, we combine our efforts with a co-brokering network to give your property maximum exposure to prospective tenants citywide.



Here are a few of the many ways we tailor our marketing efforts to meet the individual needs of each property:

### Service to prospective tenants include...

- Complimentary leasing services
- Property showings on evening and weekends
- Access to the largest selection of properties in the Austin metroplex via a computerized database
- Professional leasing agents who know how to listen and respond to tenant housing preferences
- Expertise in the local market, in both single and multifamily homes
- 24-hour Emergency Maintenance service for Recar & Associates managed homes

### Services to real estate investors include...

- Licensed agents available to show properties seven days a week
- Extensive cooperative broker networking
- Aggressive marketing strategies in a variety of media
- Bonded, professional support staff
- Nationwide employment, rental, and credit history verification of tenants
- Nationwide relocation network to identify and pursue qualified tenants
- Exceptional maintenance service provided by licensed & bonded craftsmen
- Comprehensive monthly accounting statements

Austin  
Pflugerville  
Round Rock  
Cedar Park / Leander  
Hutto  
Georgetown  
Buda / Kyle



Residential Leasing, Property Management & Sales

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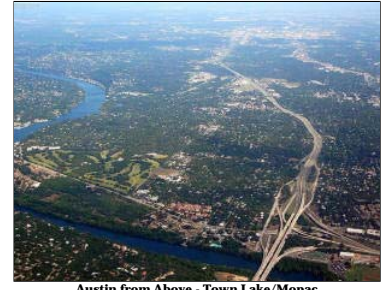
Market networking through:

**AUSTIN MARKET NEWS**  
Tuesday, August 19, 2008

[Today in Austin - Daily Business Update](#) from Austin Business Journal

[Other Real Estate Market News & Articles / Updates](#)

[Austin-Round Rock Market Overview](#) from Real Estate Center at Texas A&M



Austin from Above - Town Lake/Mopac



Downtown Austin



**About Recar & Associates, REALTORS - Staff, Agents, & Company Link**

Recar & Associates is an industry leader in providing **professional residential property management** and **leasing services** in the **Austin Texas area** market. Since 1987, we have become one of the few companies who provide property management as its primary business (not as a side business of residential sales).

Recar & Associates successfully manages over 400 single-family, duplex, and small multi-family units for owner/investor clients. Our ongoing commitment is to Owners who want to maximize the value of their **investment property**, and to their Tenants who look to us for a positive rental experience.

With our team of licensed **REALTOR** agents, our company is the choice for leasing and marketing services. If you are a Landlord needing **property leasing** assistance, a Landlord needing assistance with your tenants, or a renter seeking **property for rent**...

Call us at:  
**(512) 345-9886**

Professional Members of:

## MEMBERSHIPS AND AFFILIATIONS



National Association of Residential Property Managers (NARPM)  
*Director of Operations Greg A. Fedro, MPM -  
Past President NARPM Austin Area Chapter  
NARPM National Certification Chair 2001-2003, 2006  
NARPM National Board of Directors 2005-2006*



National Association of Realtors (NAR)  
Texas Association of Realtors (TAR)



Austin Board of Realtors (ABOR)  
ABOR Education & Professional Development Committee 2008



National Tenant Network



Women's Council of Realtors (WCR)



Texas Real Estate Political Action Committee (TREPAC)



ABOR Small Office Realtors Forum



Coldwell Banker United, Realtors®  
*Through CBU (our sister company) we provide one of the largest  
Relocation networks in the country!*



## **THE FIRST IMPRESSION**

### ***“Staging Your Property”***

You never have a second chance to make a first impression. That is why “staging” your property is so important. Whether we are marketing your property for sale or lease, the first impression will be the most lasting. A well cared for home that makes a great first impression will maximize leasing potential.

Here are a few tips that will help prepare your property to overcome even the most critical prospect’s objections:

Manicure the yard. This includes edging and trimming, weeding and cultivating the beds, trimming shrubs and making sure all trash and debris are removed. A few strategically placed flowerpots with a splash of color can make a world of difference!

Entryways should be welcoming and free of clutter and debris. A coat of paint for the front door and waxing the entry hall are good starters. Make sure all cobwebs are brushed away from eaves. Don’t forget the driveway and sidewalks.

Make sure flooring is shiny and clean throughout. Clean and deodorize all carpets, especially if you have pets. Stretch carpets where needed.

The kitchen will either make or break most showings, so be sure to take extra time here. Take a long, hard, objective look at yours and make sure it sparkles! Simmering potpourri, carpet potpourri powder, or plug-in deodorizers can help to make your home smell more inviting.

Next to kitchens, bathrooms are the most important rooms in a home. Make sure they sparkle! Fresh caulking around the tub, shower and vanity is a quick and inexpensive fix.

Make sure the interior is uncluttered. Now is a great time to do that spring-cleaning you’ve been putting off! Closet space is important, so make sure closets are neat and not overstuffed; people *will* open the closet doors!

Furnishings should be arranged to make each room appear spacious and attractive. To create a more spacious feeling, pack up those knickknacks! Lighting is an often underestimated selling point. Open the shades and let the sun shine in! If you do not have much natural light, a few strategically placed floor and table lamps can compensate for that. Make sure all light bulbs are working and turn them on.

The garage and storage spaces should also be clean, and if used for storage, as free of clutter as possible.



***In our market, your property must be in top condition to get top dollar. Prospects are very particular about prospective homes, so maximize your return by going the extra mile to get your property ready.***



# *Why hasn't my house rented?*

## **Reasons and remedies for dealing with a changing market**

### **Reason**

**Overpriced**

**Price reductions too little, too late**

**New competition since property was listed**

**Difficult to show, not readily accessible**

**Glutted or slow market**

**Many showings but no offers**

**Condition (maintenance problems)**

**Condition (curb and overall appeal)**

**Location not desirable**

**Driveby calls, but little Realtor® activity**

**Pets (odor, soil, intimidation)**

**External influence (new highway, neighborhood)**

### **Remedy**

New market analysis with extra emphasis on what has actually leased and days on market, lower price to meet or beat market

New market analysis, significantly lower price below the next price break or two

New market analysis, lower price, offer incentives to renters and/or agents

Adjust showing hours, remedy situation deterring showing activity

Adjust pricing and offer incentives

Improve condition to equal perceived value or drop price to meet condition

Freshen up and review ways to improve

Rehab as necessary – new carpet, paint, update fixtures/countertops/blinds, manicure yard

Compensate with price adjustment

Lower price to meet client demand, offer incentives to agents

Deodorize carpet, cage or remove pets

New market analysis, compensate with price adjustment

By choosing to market your property with a leasing professional, you have the most qualified information available and an agent who is knowledgeable about the current market on your side!



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# Lock law is designed to be tenant's key to security

By Rebecca Thatcher  
American-Statesman Staff

When Genoveva Zamarron wants a little privacy in her apartment, she attaches the hook on her screen door. But, she says, the hook is pretty flimsy.

"If somebody gives it a hard pull, it will open," said Zamarron, 66, who lives in public housing in East Austin.

Zamarron, like many tenants, is not yet benefiting from a new law that requires most landlords to install certain security devices.

The law, which went into effect Sunday, says landlords must fit solid doors with peepholes and keyless deadbolts or a variation of the keyless deadbolt known as the drop bolt system. Either allows tenants to prevent somebody with a key from entering while they are home. The law also requires sliding glass doors to have pin locks, handle latches or security bars.

The law makes sense, Zamarron said. Though she said she would appreciate having her apartment fitted with the security devices, she wasn't particularly concerned about safety. "Sometimes we have gang members running around, but lately things have been peaceful," she said.

The Austin Housing Authority probably will have all the required devices installed by mid-February, said Tamara Cannon, spokeswoman for the authority.

For private tenants, it might not be so simple.

There is no government agency that enforces the law or requires landlords to report whether they have complied, said Ted Melina Raab, an aide to state Rep. Elliott Naishtat, D-Austin, who sponsored the legislation.

There are no criminal penalties for landlords who don't comply.

Because of budget shortages, the Legislature probably would not have passed a law that included enforcement costs, Melina Raab said.

It is up to tenants and landlords to make the law work, said Katherine Stark, director of the Austin Tenant's Council, which receives city, federal

and private funding and provides counseling to tenants and landlord-tenant mediation.

Tenants whose residence lack the required security measures should write their landlord requesting that the devices be installed within three days, Stark said.

If the landlord ignores the request, tenants can have devices installed and subtract the cost from their next rent payment, the law states. The law allows tenants to terminate their leases or sue their landlords, but Stark advised calling the Austin Tenant's Council before doing anything drastic. The appropriate step can depend on the lease, she said.

Getting apartment owners to comply with the law is likely to be slow going," Stark said. Large apartment complexes with professional staffs are more likely to comply than landlords who own few units, she said.

David Mintz, director of governmental affairs for the Texas Apartment Association, said his trade association has tried to educate property owners about the law. Many landlords are not members of the group and have not heard about the law, Mintz said.

There is a shortage of required devices and people to install them, he said. Stark said that the tenants' council has a list of Austin stores that carry the devices.

A dispatcher at Cothron's Safe and Lock said that the company has had many requests for the new locks.

"I think the vast majority of rental property owners in the state are either in compliance or trying to come into compliance with the law," Mintz said.

The law applies to all rental properties except those owned by universities or private schools. It applies to rented mobile homes, single-family homes, efficiencies, duplexes and apartments. The only landlords exempted are those who are required or permitted to check on

tenants who are 55 or older or who have a physical or mental disability.

Stark said it is important that tenants who have keyless deadbolts use them. The law limits the liability of landlords in cases where an assailant enters an apartment because the keyless deadbolt was not shut.

If there is an attack where a landlord has failed to install a keyless deadbolt, then the tenant will have a reason to sue the landlord, Melina Raab said.



## Rental Security Law

As of Sunday, almost all rental properties were supposed to have:

- A keyless bolting device.
- A door viewer on solid doors.
- A pin lock, handle latch or security bar on sliding glass doors.

The only exceptions are:

- Landlords who are permitted or required to check on tenants with physical or mental disabilities or tenants older than 55.
- Property owned by universities or private schools.

Tenants who don't have the devices can:

- Write a letter to their landlord requesting them.
- If the letter is ignored, contact the Austin Tenants' Council for advice. Call 474-1961 or go to the office between 8 a.m. to 5 p.m. at 1619 E. Cesar Chavez St.



Significant Landlord/Tenant Laws Passed in the 1995 Texas Legislative Session Under SB 1334, Effective 01/01/1996

**-DISCLOSURE OF OWNERSHIP AND MANAGEMENT INFORMATION:** Requires landlord disclosure to any governmental official of employee acting in an official capacity the name and address of the owner of the property and the management company primarily responsible for managing the property.

**-LOCKOUTS:** Requires the landlord to give notice to a resident prior to locking a resident out. A landlord cannot lock a resident out who has failed to pay rent unless the landlord has given at least five calendar days notice by mail or three calendar days notice by hand delivery to the resident or the premises. Additionally, when a door lock is changed, the notice placed on the front door of the dwelling must state: (a) an on-site location where the resident may go twenty-four hours a day to obtain a new key or a telephone number that is answered twenty-four hours a day that the resident may call to have a key delivered within two hours after calling the number; (b) the fact that the landlord must provide the new key at any hour, regardless of whether or not the resident is delinquent. If you utilized a lockout remedy in the past, you will want to consider how the new law will affect your lockout procedure, and you may decide to simply provide the required notice to vacate rather than pursue a lockout remedy.

**-UTILITY CUTOFFS (ALSO COVERED BY HB 2803, WHICH IS EFFECTIVE SEPTEMBER 1, 1995):** A landlord's right to cut off utilities is substantially restricted under the new law. A landlord may cut off electrical service if the landlord is responsible for providing the utilities, the resident is at least seven days late in paying rent and the landlord has given a required notice to the resident at least five days before the date the service is interrupted. The cutoff cannot begin before or after the landlord's normal business hours or on a day immediately preceding a day when the landlord or other designated individual is not available or the on site management office is not open to accept rent or restore electrical service.

**-SECURITY DEVICES REQUIRED WITHOUT A NECESSITY OF RESIDENT'S REQUEST:** This bill added an exemption to the requirement that a keyless bolting device is required to be installed at the landlord's expense on a exterior door. A keyless bolting device is not required to be installed if: (I) the dwelling is part of a multi-unit complex in which the majority of units are leased to residents who are over fifty-five years of age or who have

a physical or mental disability; and (II) the resident in the dwelling is over fifty-five years of age or has a physical or mental disability; and (III) the landlord expressly required or permitted to periodically check on the well-being or health of the resident as a part of a written lease or other written agreement. Additionally, a keyless bolting device is not required if a resident or occupant in the dwelling is: (a) over fifty-five years of age or has a physical or mental disability and requests in writing that the landlord deactivate or not install the keyless bolt device and the resident certifies in the request that the resident or occupant is over fifty-five years of age or has a physical or mental disability; and (b) the request is made in a separate document from the lease agreement.

**-SMOKE DETECTORS:** (also covered by HB 1637 which is effective September 1, 1995) This new law modifies the smoke detector subchapter of the Texas Property Code and, for the first time, renders a landlord liable if the landlord did not install a smoke detector at the time of initial occupancy by the resident whether or not the resident had previously requested that the landlord install, inspect or repair the smoke detector. It may also be important to note that the law has been modified to add a penalty if a resident: (I) removes a battery from a smoke detector without immediately replacing it with a working battery; or (II) knowingly disconnects and intentionally damages a smoke detector, causing it to malfunction. In order for the landlord to exercise certain judicial remedies when a resident fails to replace the battery or damages the smoke detector the lease must contain a requirement by the resident to not disconnect or intentionally damage the smoke detector, or remove the battery without replacing it and that the resident may be subject to replacing it and that the resident may be subject to certain damages and penalties. The language in the lease must be underlined or in bold face print.

**-CONDITIONS FOR RETENTION OF SECURITY DEPOSIT OR RENT PREPAYMENT:** This law applies to a landlord who receives a security deposit or rental prepayment for a unit from a resident who fails to occupy the unit according to a lease. The landlord may not retain the security deposit or rent prepayment if the resident secures a replacement resident satisfactory to the landlord and the replacement resident occupies the dwelling on or before the commencement date of the lease if the landlord secures the cancellation fee or actual expenses and a reasonable amount for the time incurred by the landlord in securing the replacement resident.

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## Monthly Owner Statement

January 1, 2007 to January 31, 2007

Date	Description	Increases	Decreases	Balance
1/1/2007	Beginning Balance			\$0.00
	<b>1601 Faro Drive</b>			
	Carpet Cleaning		\$120.63	
	HOA Dues		\$198.48	
	Management Fee		\$49.50	
	Rent	\$495.00		
	Total 1601 Faro Drive #2101	\$495.00	\$368.61	\$126.39
	Net Balance Change	\$495.00	\$368.61	\$126.39
1/31/2007	Ending Balance			\$126.39

Due Date	Unpaid Bills	Amount Due
1/1/2007	Plumbing for 1601 Faro Drive #2101	\$144.25

Unit	Tenant	Rent	Balance Due
<b>Units With Transaction Activity</b>			
1601 Faro Drive		\$495.00	\$0.00

**SAMPLE MONTHLY OWNER STATEMENT**



## Your Monthly Owner Statement: *Step By Step Understanding*



The best way to approach your Monthly Owner Statement is to think of it like a bank statement. It tells you what your balance was at the end of the previous month, what was added to the account to increase the balance, what was deducted to decrease the balance, and what the ending balance is for the current month. If you read it line by line, it's easy to interpret! Our property management software takes into account that most single-family owners are not high-level accountants, so labels are kept simple; on the other hand, it also provides measurements of cash flow to those of you who like that detail.

This explanation is for “the rest of us” and will show you what’s important to a good, basic understanding of the monthly accounting (and those things you can just ignore if you’re not a “number cruncher”!).

**Beginning Balance** – this is the starting point for the month! It should correspond with the Ending Balance from the previous month...if it doesn't, something has been posted between accounting cycles. Please contact our Bookkeeper should you ever see this occur.

**The Property Address** – for those of you who have multiple properties, the activity of each property will be separated out individually so that you can see what income and expenses each property had for the month.

**Increases/Decreases** – These columns show the increases and decreases to your account. Normally, an increase will be income to you and a decrease will be an expense amount. However, if an adjustment is made to a line, it will also show as an increase or decrease according to whatever the original entry was; when adjustments or corrections have to be made, they are posted to the same category as the original posting so that your year-to-date total will reflect the true adjusted total.

*Within each column, the software will total up the increases and decreases for each property and will list a corresponding balance. These are cash flow measurements...ignore them!*

### **Other Transactions (No Unit Specified)**

This is your Equity section (for you accounting types). If you send money to us for repairs or expenses, the funds will appear in this section as “Owner Contribution”. Your monthly disbursement (whatever’s left over from rents after expenses are deducted) will appear in the section as “Owner Disbursement”; this will correspond with your check or ACH transfer amount, depending on the payment method you signed up for.

*Net Balance Change – Another cash flow measurement...ignore it!*

**Ending Balance** – this is the balance, which is still being held in your account for your owner reserve. If additional funds were authorized by you to be held for repairs, the ending balance will be higher than your normal reserve amount.

### **YEAR TO DATE SUMMARY**

The year-to-date summary shows both the current month’s recap, as well as the cumulative totals for each category as we go through the year. The totals are combined *by owner* (not broken down by property); for owners with multiple properties, we can provide another report at year end which will show yearly totals by property for your tax reporting.

### **TENANT BALANCE SUMMARY**

The last section is a recap which shows current and pending tenant activity, and will show tenants who are “on notice” to move, previous tenants who still owe a balance, and/or current tenant rent amounts and balances due.

*Please feel free to contact us if you have questions! We review each statement and try to look at them from an owner’s standpoint to answer questions prior to sending, but we are available to help and give more information should you need it.*



# FACT SHEET

## EPA and HUD Move to Protect Children from Lead-Based Paint Poisoning; Disclosure of Lead-Based Paint Hazards in Housing

### SUMMARY

The Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD) are announcing efforts to ensure that the public receives the information necessary to prevent lead poisoning in homes that may contain lead-based paint hazards. Beginning this fall, most home buyers and renters will receive known information on lead-based paint and lead-based paint hazards during sales and rentals of housing built before 1978. Buyers and renters will receive specific information on lead-based paint in the housing as well as a Federal pamphlet with practical, low-cost tips on identifying and controlling lead-based paint hazards. Sellers, landlords, and their agents will be responsible for providing this information to the buyer or renter before sale or lease.

### LEAD-BASED PAINT IN HOUSING

Approximately three-quarters of the nation's housing stock built before 1978 (approximately 64 million dwellings) contains some lead-based paint. When properly maintained and managed, this paint poses little risk. However, 1.7 million children have blood-lead levels above safe limits, mostly due to exposure to lead-based paint hazards.

### EFFECTS OF LEAD POISONING

Lead poisoning can cause permanent damage to the brain and many other organs and causes reduced intelligence and behavioral problems. Lead can also cause abnormal fetal development in pregnant women.

### BACKGROUND

To protect families from exposure to lead from paint, dust, and soil, Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992, also

known as Title X. Section 1018 of this law directed HUD and EPA to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978.

### WHAT IS REQUIRED

Before ratification of a contract for housing sale or lease:

- Sellers and landlords must disclose known lead-based paint and lead-based paint hazards and provide available reports to buyers or renters.
- Sellers and landlords must give buyers and renters the pamphlet, developed by EPA, HUD, and the Consumer Product Safety Commission (CPSC), titled *Protect Your Family from Lead in Your Home*.
- Home buyers will get a 10-day period to conduct a lead-based paint inspection or risk assessment at their own expense. The rule gives the two parties flexibility to negotiate key terms of the evaluation.
- Sales contracts and leasing agreements must include certain notification and disclosure language.
- Sellers, lessors, and real estate agents share responsibility for ensuring compliance.



## WHAT IS NOT REQUIRED

- This rule does not require any testing or removal of lead-based paint by sellers or landlords.
- This rule does not invalidate leasing and sales contracts.

## TYPE OF HOUSING COVERED

Most private housing, public housing, Federally owned housing, and housing receiving Federal assistance are affected by this rule.

## TYPE OF HOUSING NOT COVERED

- Housing built after 1977 (Congress chose not to cover post-1977 housing because the CPSC banned the use of lead-based paint for residential use in 1978).
- Zero-bedroom units, such as efficiencies, lofts, and dormitories.
- Leases for less than 100 days, such as vacation houses or short-term rentals.
- Housing for the elderly (unless children live there).
- Housing for the handicapped (unless children live there).

- Rental housing that has been inspected by a certified inspector and found to be free of lead-based paint.

- Foreclosure sales.

## EFFECTIVE DATES

- For owners of more than 4 dwelling units, the effective date is September 6, 1996.
- For owners of 4 or fewer dwelling units, the effective date is December 6, 1996.

## THOSE AFFECTED

The rule will help inform about 9 million renters and 3 million home buyers each year. The estimated cost associated with learning about the requirements, obtaining the pamphlet and other materials, and conducting disclosure activities is about \$6 per transaction.

## EFFECT ON STATES AND LOCAL GOVERNMENTS

This rule should not impose additional burdens on states since it is a Federally administered and enforced requirement. Some state laws and regulations require the disclosure of lead hazards in housing. The Federal regulations will act as a complement to existing state requirements.

### FOR MORE INFORMATION

- For a copy of *Protect Your Family from Lead in Your Home* (in English or Spanish), the sample disclosure forms, or the rule, call the National Lead Information Clearinghouse (NLIC) at (800) 424-LEAD, or TDD (800) 526-5456 for the hearing impaired. You may also send your request by fax to (202) 659-1192 or by Internet E-mail to [ehc@cais.com](mailto:ehc@cais.com). Visit the NLIC on the Internet at <http://www.nsc.org/nsc/ehc/ehc.html>.
- Bulk copies of the pamphlet are available from the Government Printing Office (GPO) at (202) 512-1800. Refer to the complete title or GPO stock number 055-000-00507-9. The price is \$26.00 for a pack of 50 copies. Alternatively, persons may reproduce the pamphlet, for use or distribution, if the text and graphics are reproduced in full. Camera-ready copies of the pamphlet are available from the National Lead Information Clearinghouse.
- For specific questions about lead-based paint and lead-based paint hazards, call the National Lead Information Clearinghouse at (800) 424-LEAD, or TDD (800) 526-5456 for the hearing impaired.
- The EPA pamphlet and rule are available electronically and may be accessed through the Internet.

#### Electronic Access:

**Gopher:** [gopher.epa.gov:70/11/Offices/PestPreventToxic/Toxic/lead\\_pm](http://gopher.epa.gov:70/11/Offices/PestPreventToxic/Toxic/lead_pm)

**WWW:** <http://www.epa.gov/opptintr/lead/index.html>  
<http://www.hud.gov>

**Dial up:** (919) 558-0335

**FTP:** [ftp.epa.gov](ftp://ftp.epa.gov) (To login, type "anonymous." Your password is your Internet E-mail address.)