

Pennsylvania Association of Realtors®

Rental Application

(PAR Form RA)

and

Rental Application for

Landlord Agents

(PAR Form RALA)

Guidelines for Preparation & Use

Updated February 2017



Pennsylvania Association of Realtors®

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Note to PAR Form Users

Pennsylvania Association of Realtors® standard forms are developed by the PAR Standard Forms Committee for use in a wide variety of transactions and market areas. To provide maximum flexibility to the parties, many provisions contain blank spaces that can be filled in as appropriate. Where there is pre-printed language that is not agreeable to the parties and is not required by law, it can be crossed out and/or modified, with the parties dating and initialing the change in the margins. As a general rule, text added by the parties that changes pre-printed text, or pre-printed text altered by the parties, will prevail over pre-printed language should a dispute arise.

As stated in the title, this document is only a guideline for the proper use of the Rental Application and Rental Application for Represented Landlords. The suggestions presented here should be used in conjunction with, and as a supplement to, your professional education; they are not meant as a substitute for a proper professional education. No set of instructions, no matter how complete, could possibly cover all of the issues and nuances that appear in any individual transaction. Seek guidance from your Broker and/or your legal counsel if you have any questions about the progress of a transaction or about the proper use of this or any PAR Standard Form.

To make these Guidelines more useful there are numerous helpful “extras” added to the main text. Many of the “Note” or “Practice Tip” items you will see are based, in part, on the experiences of PAR members, staff and legal counsel, and are designed to point out some of the more practical items to consider when filling out the Rental Applications.

General Notes on Usage

This Guideline will apply to both the Rental Application (Form RA) and the Rental Application for Landlord Agents (Form RALA) as the only difference between the content of the two forms is the first page. (See Special Note to Broker for Landlord)

The Applications contain notices, some of which are legally required, while others are designed to educate landlords and tenants (and their agents) about particular aspects of the law. Make sure to familiarize yourself with the contents of these pages, so you can direct the landlord and tenant to the appropriate information.

Special Note to Broker for Landlord

The Pennsylvania Real Estate Commission has enacted regulations which require licensees to provide a Consumer Notice to potential clients at the first interview. This Consumer Notice is the reason that PAR has developed two rental applications. In most instances, an unrepresented potential tenant will make the first contact with a represented landlord when seeking a rental application. Licensees who work for the landlord or owner of the property are permitted by regulation to provide a shortened Consumer Notice to put the applicant on notice that the licensee is working on behalf of the landlord or owner and does not represent the applicant. Form RALA should be used only when the applicant is not represented by the licensee and remains unrepresented. If the applicant chooses to hire a licensee to represent him or her, then he or she should be given the full Consumer Notice by the Tenant Agent and you should use Form RA.

Business Relationship Blocks

The Business Relationship (Applicant's Relationship with PA Licensed Broker and Landlord's Relationship with PA Licensed Broker) boxes on the front page of the Application are used to identify the Brokers and Licensees involved in the transaction and to describe their business relationship to the parties involved in the transaction. Each block is divided, left and right, into a Broker section (left) and a Licensee section (right).

On Form RALA, the box for the Applicant's Relationship with PA Licensed Broker has been replaced with the Consumer Notice for Tenants. This form should not be used when the Applicant is represented by a licensee; use Form RA instead.

BROKERS:

On the left side, the Broker should fill in the name of the company (brokerage), its license number, and its contact information. When filling out the Business Relationship Blocks, keep in mind that only the legal name and address of Pennsylvania licensed real estate offices should appear in these blocks. Don't use office nicknames or home addresses if they are not approved by and registered with the State Real Estate Commission.

The checkboxes on the left side of the Business Relationship Block under the Broker contact information allow you to indicate whether the Broker represents only one party (Tenant Agent or Landlord Agent) or both the Landlord and the Tenant (Dual Agent).

Note: Where the Landlord and Tenant are represented by the **same Broker**, the Broker is always a Dual Agent and the Broker (company) information in both boxes should be the same.

Note: On Form RALA, the only option for the Broker is Landlord Agent. If the Landlord's Broker is going to represent the Applicant as well, then Form RA should be used.

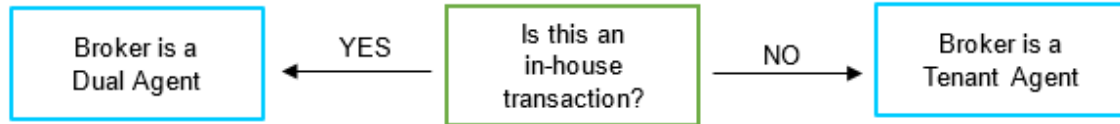
Where a transaction involves a party that is not represented by a Broker, the Broker working for the represented party should fill in broker and licensee information in the box for the party they represent and should select the "No business relationship" checkbox in the other party's Business Relationship Block. Form RALA does not have this option because the Broker should not have a business relationship with the Tenant/Applicant if this form is used. If the Landlord's Broker is also going to represent the Tenant/Applicant, then Form RA should be used.

Example: A licensee representing a Tenant in a transaction to lease a property directly from the owner would fill in Buyer's Business Relationship Block as the Agent for Tenant, and would check the "No Business Relationship" checkbox in the Landlord's Business Relationship Block. This indicates that the defined "relationship" with Landlord is one in which the Broker is working solely in the best interests of the prospective Tenant. This can help eliminate any potential issues where a Tenant or Landlord claims to have been unaware that he/she was not represented in a transaction.

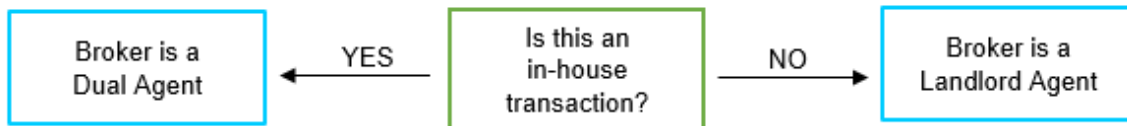
Practice Tip: If the "No business relationship" checkbox has been checked, the Broker and Licensee **should not** write their information in that Business Relationship Block.

Answer the questions in the flow charts below to determine which box to check on the Application.

Broker Flow Chart - Tenant



Broker Flow Chart - Landlord



LICENSEES:

On the right side, the Licensee should fill in his or her name, license number, and contact information. If more than one Licensee is representing the Tenant or Landlord, each Licensee should write their name, license number, and contact information.

The checkboxes on the right side of the Business Relationship Block under the Licensee's contact information allow you to identify your relationship with your client and the other Licensees involved in the transaction. First, make sure you understand the difference between Designated and Dual Agency and your brokerage policy. If you are unfamiliar with your broker's policy on this subject, speak to your broker. Do not assume that your broker's policy is the same as that of other brokers in the market.

A **Tenant Agent** or **Landlord Agent** is a Licensee who, along with all other licensees in the brokerage, represents the Tenant or Landlord.

A **Designated Agent** is a Licensee assigned by the Broker to act exclusively as the agent for the client to the exclusion of all other Licensees within the brokerage.

A **Dual Agent** is a Licensee who acts as an agent for both the Tenant and the Landlord in the same transaction.

It is possible for a Designated Agent to be a Dual Agent if the same agent represents both parties!

Licensee status will also depend on whether the transaction is an **in-house transaction** or a **cooperative** (“co-op”) **transaction**.

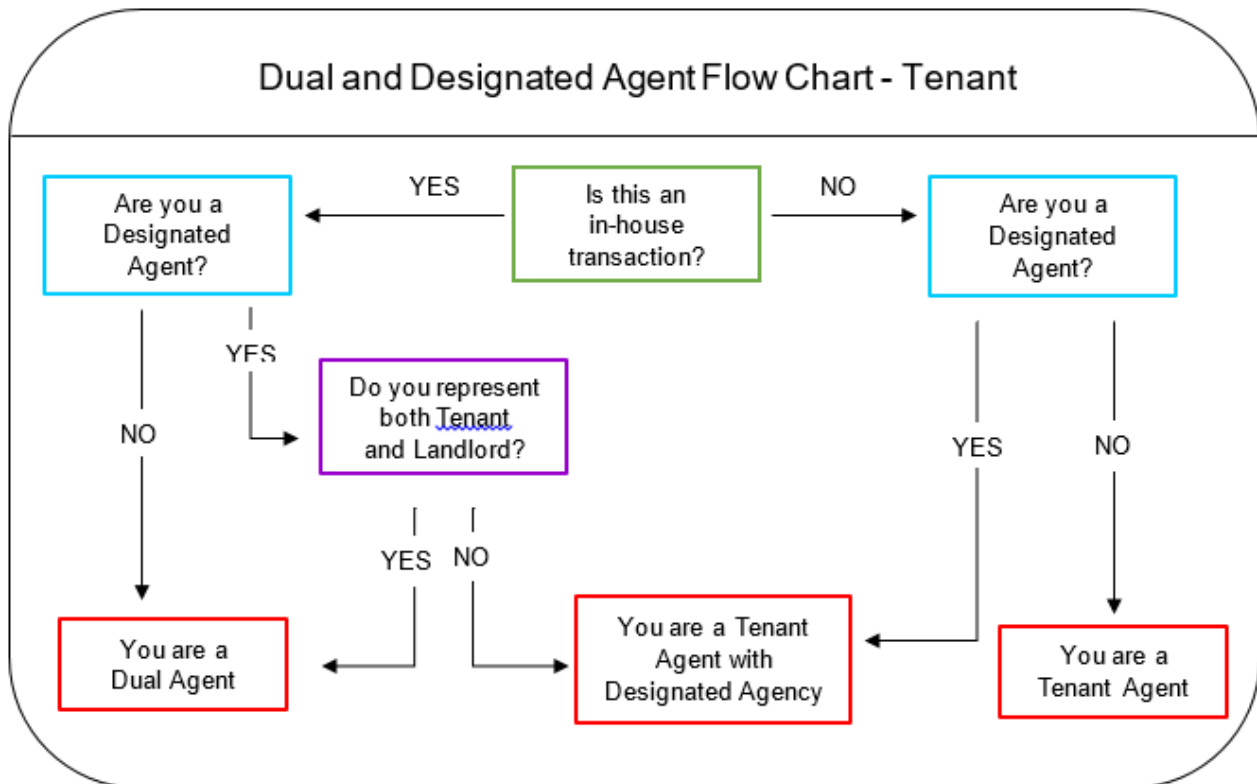
In a cooperative transaction, the licensee on each side of the transaction represents only one party, so dual agency is not an option. In this type of transaction, the Licensee needs to know whether her broker does or does not practice designated agency. If yes, select Agent with Designated Agency. If no, select Agent.

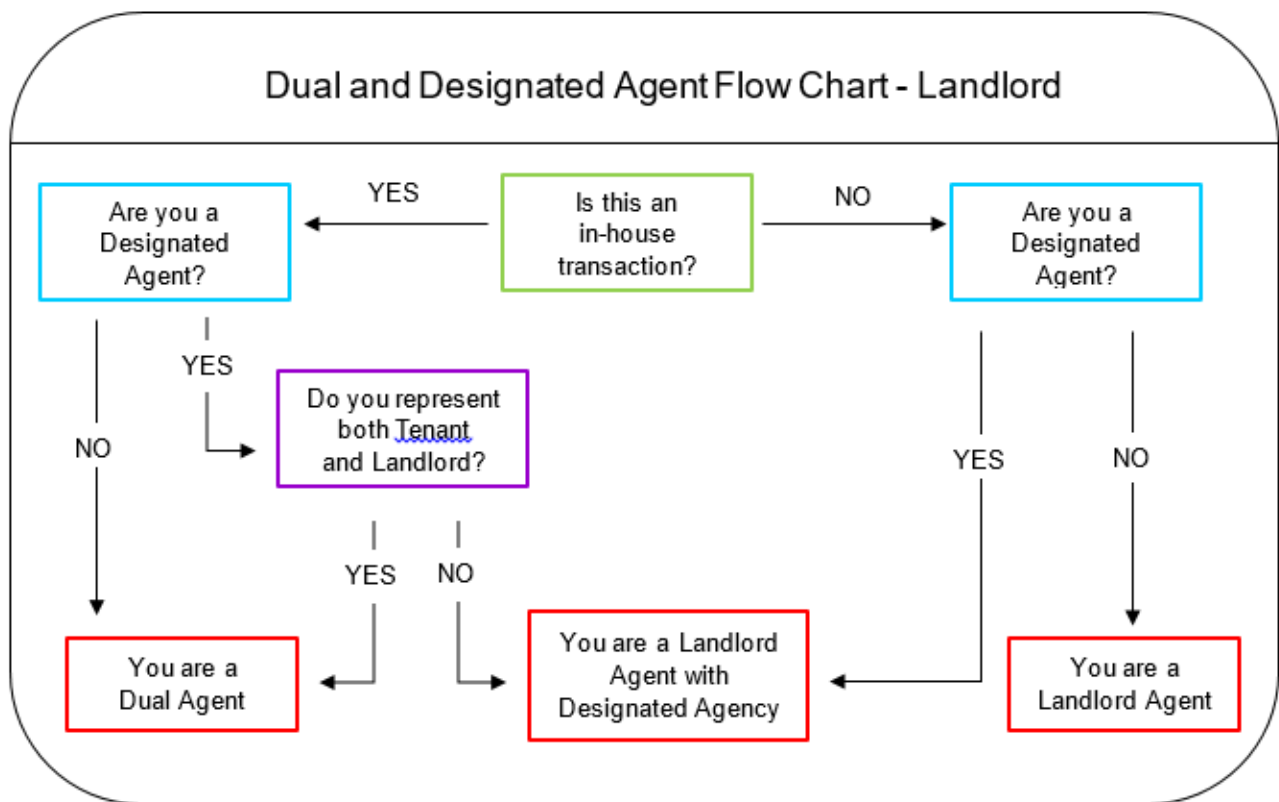
In an in-house transaction a Licensee can only select Dual Agent or Agent with Designated Agency. If the broker does not practice designated agency, the Licensee(s) representing both parties are considered to be dual agents. If the broker does practice dual agency, select Agent with Designated Agency if different Licensees represent the parties, or select Dual Agent if the same Licensee represents both parties.

Practice Tip:

Practice Tip: If you are unsure about information regarding the other agent in the transaction -- especially whether or not they are working as a designated agent -- do not fill in that information. Rather, contact the Broker or Licensee to learn of their status or ask the other Broker or Licensee to fill in the information when they have the Application.

Answer the questions in the flow charts below to determine which box to check on the Application.





Property Information

ADDRESS: When identifying the Property to be leased, it is important to have the specific identification of the Property listed in the Application, including any unit number. Insert a description of the Property, including building number; street; unit number; city; and ZIP Code.

While the municipality, county, and school district are not required for legal identification of the Property, some tenants are very interested in living in a certain municipality or sending their children to schools in a certain district.

MOVE-IN DATE: On the line provided, put the date that the Applicant would like to take possession of the Property.

TERM: The term will be the length of the initial lease. Fill in the expected term, which is typically one calendar year.

Note: Leases can only run for a period of more than three years if they are in writing. If the Applicant is looking for a long-term lease, make sure that the parties complete a written lease reflecting that.

APPLICATION FEE: The Application states that a non-refundable fee will be paid. If the Landlord charges such a fee, put the dollar amount on the line provided. This is typically a reasonable charge to cover the costs of running credit and criminal history investigations.

APPLICATION DEPOSIT: An application deposit is a fee that may be charged by some landlords in order to hold the Property in the event the Application is approved. Whether the application deposit is refundable may vary. If the application is approved, but the Applicant then

changes his or her mind about renting the Property, the Landlord may decide to keep the application deposit. If the application is denied, the Landlord may decide to refund the application deposit.

MONTHLY RENT: On the line, put the amount that the Landlord will be charging for Rent each month.

SECURITY DEPOSIT: On the line, put the amount of the required security deposit.

Note: Pennsylvania law limits the amount a landlord can charge for a security deposit. During the first year of the lease, tenants may not be charged more than two months' rent for a security deposit. In subsequent years, including renewals, the security deposit cannot exceed one month's rent.

FIRST MONTH'S RENT/LAST MONTH'S RENT: Put the amount of the first month's and last month's rent on the spaces provided. These may or may not be the same as the Monthly Rent, depending on the starting and ending dates of the lease and whether any amounts owed might be prorated.

Note: There is a statement requiring that the checks for the rent and security deposit be written separately. This will make it easier for the Landlord to deposit the monies into separate accounts.

PETS PERMITTED: Check the appropriate box, depending on whether the Landlord will allow tenants to have pets on the Property. Keep in mind that guide and support animals are not considered pets and the Applicant is not required to disclose the possession of a guide or support animal.

NON-REFUNDABLE PET FEE: If the Landlord will charge a separate fee or deposit for tenants who have pets, put the amount of the deposit on the line provided.

PET RENT: If the Landlord will charge an additional monthly rent to tenants who have pets, put the amount of the rent on the line provided.

Note: Remember that guide and support animals are not pets. Landlords cannot charge a "pet fee" or "pet rent" for guide or support animals.

OTHER: Any other fees or rents should be described here.

RENTAL INSURANCE: Check the appropriate box, depending on whether the Landlord requires his or her tenants to obtain and maintain rental insurance.

Paragraph 1: APPLICANT INFORMATION

Subparagraph (A): Contact Information

Check the box to indicate whether the person completing the Rental Application is an applicant or a co-signer. A co-signer is one who signs a document and, in doing so, agrees to guarantee the obligations of another. Co-signers must apply and be considered as a prospective tenant would, and is referred to as an "Applicant" throughout the Rental Application. Although a co-signer's application may be approved by the Landlord and the co-signer will be expected to sign the lease, this will not grant the co-signer the right to occupy the Property or any other rights as a tenant, unless otherwise agreed to in writing.

The Applicant should provide his or her full name, applicable telephone numbers, and an email address. The Applicant can also tell the Landlord how he or she heard of the Property. **It is very important that Applicant include information for at least one method of contact.** It may be necessary to communicate with the Applicant during the course of the review if the Landlord needs to clarify a piece of information, and having the address and contact numbers properly filled in can make this communication considerably easier, especially where one party is not represented by a broker.

Subparagraph (B): Rental/Ownership History

The Applicant should fill in at least two years of residential history, beginning with the Applicant's current address. The Applicant should attach an additional sheet if more space is needed to provide a full two years of history, completing as much information as possible since the Landlord will use this information to determine whether to approve or deny the Application.

Subparagraph (C): Tenants and Co-signers

Check the appropriate box to indicate whether the Applicant is at least 18 years old. Keep in mind that for purposes of this Application, even co-signers are considered to be an applicant.

If the Applicant is applying for a lease with anyone else, whether a co-signer or a possible roommate, then check the box marked "yes." If there are no other applicants, then check "no."

Note: Each applicant must fill out a separate Rental Application for the Property. Even though they are applying individually, because tenants are jointly liable for the responsibilities under the lease, the applications will be considered together.

If there will be other persons occupying the Property with the Applicant, check the box for "yes," and provide their full names on lines provided. For each person, indicate whether he or she is over the age of 18 by checking the box as needed. The Applicant can use additional sheets to provide more information.

Paragraph 2: EMPLOYMENT INFORMATION

The Applicant should fill in at least two years of employment history, beginning with the Applicant's current job. The Applicant should attach an additional sheet if more space is needed to provide a full two years of history, completing as much information as possible since the Landlord will use this information to determine whether to approve or deny the Application.

The Applicant can attach a paystub, bank statement or other written proof of income. If additional information is attached to the application, check the applicable boxes.

Paragraph 3: OTHER INCOME USED FOR MONTHLY EXPENSES

If the Applicant has any other income that comes from a source other than employment, such as social security or disability payments, alimony, child support, etc. they can be listed here, attaching additional sheets if more space is needed. The Applicant does not need to list those sources of income and the amounts received if he or she does not want them to be considered as income available for paying rent.

Note: Although these additional sources of income do not need to be provided, the Applicant should know that part of the Landlord's considerations will be whether the Applicant's income is sufficient to pay his or her monthly bills, including rent. Providing this

information is a way to inform the Landlord that the Applicant has enough of an income to make his or her monthly payments.

Paragraph 4: BANK ACCOUNT INFORMATION

The Applicant should list the location and types of bank accounts held in his or her name, with their approximate balances, attaching additional sheets if more space is needed. The Applicant may be hesitant to provide this information, however listing assets can be helpful to the Landlord who may be concerned that the Applicant's monthly income is too low. No other information about the Applicant's accounts should be provided. There is no need for the Applicant to provide the Landlord with account numbers or passwords.

Paragraph 5: MONTHLY PAYMENTS

The Applicant should list a general summary of his or her monthly payments here, attaching additional sheets if necessary. For each debt, provide the name of the lender, the type of loan, the total balance that remains outstanding, and how much the Applicant pays on that debt each month.

Paragraph 6: VEHICLE

The Applicant should list any vehicles that he or she intends to keep at the Property here, attaching additional sheets if necessary. The term "vehicles" includes recreational vehicles, campers, boats, motorcycles, and any other registered, motorized transportation. For each vehicle, provide the make and model, year, color, and registration information.

Paragraph 7: PETS

If the Applicant or any of the people who may occupy the Property have any pets that will be living at the Property, check the "yes" box and provide details on the animals on the lines provided for each pet, attaching additional sheets as necessary.

Note: Guide and support animals are not considered pets and the Applicant is not required to disclose the possession of one.

Paragraph 8: OTHER INFORMATION

The Applicant should answer the questions by checking the appropriate box, providing additional information where requested. If the Applicant answers "yes" to any of the questions, he or she can give a further explanation on the lines provided at the end of the Paragraph or on an additional sheet.

Note: When evaluating an applicant's criminal history, an arrest record is not enough to deny someone housing. Only convictions may be used as a basis for denial and even then, a blanket prohibition on renting to anyone with a conviction without taking into account the nature of the crime, the length of time that has elapsed since conviction, and the applicant's activities since then may leave a landlord vulnerable to claims of discrimination.

In April 2016, the Office of General Counsel in the U.S. Department of Housing and Urban Development issued formal guidance on the application of the Fair Housing Act when using criminal convictions as part of the rental process. Although possession of a criminal history is not a protected class, statistics show that racial minorities are incarcerated at disproportionate rates compared to the composition of the general population. Therefore, a landlord may violate the Fair Housing Act when the policy or practice of denying

applications based on a criminal history alone has an unjustified discriminatory effect, even when the landlord has no intent to discriminate.

Paragraph 9: CONDITION OF PROPERTY

This Paragraph states that unless the parties agree to make repairs or improvements in the lease itself, the Property will be transferred in its present condition. The Applicant should make sure that any expected improvements or repairs are listed in detail in the lease.

Paragraph 10: APPLICATION FEE

This Paragraph restates that the application fee (if charged) will be non-refundable. By signing and submitting the Application, the Applicant agrees to pay this charge to cover the costs of credit and criminal history investigations.

Paragraph 11: OBLIGATION TO ENTER INTO LEASE AGREEMENT/DAMAGES

This Paragraph states that when the Applicant submits a Rental Application for the Property, the Landlord will remove the Property from the list of those available for rent. In doing so, the Landlord takes the risk that he or she will miss the opportunity to rent the Property to another tenant. Therefore, if the Applicant decides not to rent the Property after the Application has been approved, then the Applicant agrees that the Landlord will be entitled to retain the Application Deposit as damages.

If the Rental Application is denied, the Application Deposit will be returned to the Applicant. Even though the Landlord is taking the same risk of missing other prospective tenants, a denial of the Application indicates that the Landlord would not have offered a lease to the Applicant anyway.

Paragraph 12: CONVICTED SEX OFFENDERS (MEGAN'S LAW)

The purpose of Megan's Law is to provide community notification of the presence of certain convicted sex offenders working or living in a certain area. The Applicant should be encouraged to read this Paragraph, do his or her own research, and make a decision on the desirability of the Property prior to signing the Application.

Paragraph 13: NOTICE TO PERSONS OFFERING TO SELL OR RENT HOUSING IN PENNSYLVANIA

Subparagraph (A): Protected Classes

This Paragraph alerts the Landlord and the Applicant that both federal and state legislation exists to protect against discrimination based on certain factors. This language is adapted from the Pennsylvania Human Relations Act.

Subparagraph (B): Criminal History

In April 2016, the Office of General Counsel in the U.S. Department of Housing and Urban Development issued formal guidance on the application of the Fair Housing Act when using criminal convictions as part of the rental process. Although possession of a criminal history is not a protected class, statistics show that racial minorities are incarcerated at disproportionate rates compared to the composition of the general population. Therefore, a landlord may violate the Fair Housing Act when the policy or practice of denying applications based on a criminal history alone has an unjustified discriminatory effect, even when the landlord has no intent to discriminate.

When evaluating an applicant's criminal history, an arrest record is not enough to deny someone housing. Only convictions may be used as a basis for denial and even then, a blanket prohibition on renting to anyone with a conviction without taking into account the nature of the crime, the length of time that has elapsed since conviction, and the applicant's activities since then may leave a landlord vulnerable to claims of discrimination.

Paragraph 14: FAIR CREDIT REPORTING ACT

The Fair Credit Reporting Act mandates that the Applicant receive a written notice if adverse action is taken as a result of information received in a credit report. This Paragraph contains all of the required notices and will keep a Landlord in compliance so long as the proper information is included.

Paragraph 15: SPECIAL CLAUSES

Subparagraph (A): Common Addenda

Several commonly used PAR addenda are referenced here. When checked, these addenda become part of the Application. The blank lines are provided to enable you to insert titles of other addenda (including those that you may draft on your own) that are not referenced on the Application.

Subparagraph (B): Customize

This blank space is for any additional clauses that are not addressed in the Application or in an addendum, and that significantly alter other clauses in the Application. If the clauses are related to an existing Paragraph in the Application, number them as if they were appearing in the Paragraph to which they relate. Make sure the language used is clear and unambiguous.

Acknowledgments

Acknowledgments/Checkboxes

Lines for the Applicant's initials are provided before the signature lines to acknowledge that certain permissions have been granted.

Signatures & Dating

To be valid and binding the Application must be signed and dated by the Applicant.