

ALOC NEWS

www.cumberlandlandlords.com

October 6, 2005

Associated Landlords of the Cumberland Area
ALOC Phone (301) 759-0530 P.O. Box 1867

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MDE Public Session

Allegany College of Maryland will sponsor a presentation by MDE officials regarding recent changes to MDE regulations on November 16, 2005. This will be held in Rooms CE12-13-14 in the Continuing Education Building. It is our understanding that a representative from the Attorney Generals Office that handles MDE affairs will be the speaker.

ACM will be directly mailing notices out to ALOC members and others in the area with details about this meeting with exact times and etc.

Security Deposit Interest Rates

I receive a lot of calls about the interest rates for security deposits including what rates apply and what are the dates involved. First keep in mind that the interest is computed as simple interest which means that with a \$ 300 security deposit and 4 % interest you would have \$ 6.00 interest per 6 month period or \$ 12.00 per year. If they rented for 6 full years they would be due \$ 72.00 in interest. Remember that any interest paid on security deposits is a deductible expense when you fill in your schedule E at the end of the year. Typically the interest does not kick in until they have rented from you / placed the security deposit with you for at least 6 months.

The interest rate up to October 1, 2004 was 4% when it changed to 3 %. When calculating the interest first take into account the period prior to October 2004 at the old 4 % rates and then calculate at 3 % from October 2004 forward. You will note that we do not mention any specific interest rate in our leases so as to avoid any confusion with the changing of rates as occurred in 2004.

At the end of the tenancy the interest gets added on to the security deposit first before the deduction of any valid charges for damages, unpaid rent, late fees, utilities and etc. It is important to show the adding of the interest when you send your settlement letter to your tenant along with any refund or demand for damage payment.

November Meeting

In November we plan to have Darrel Lee Powell from the City of Cumberland to give us a presentation about housing discrimination, fair housing and etc. We will also have a representative from the YMCA about their housing program which is a supervised subsidized program for people needing assistance/guidance to get back into the mainstream. We had a similar presentation a year or two ago as they were getting the program started.

Quicken Rental Software

Quicken has developed some Rental Software and you can visit their website at quicken.intuit.com/commerce for more details. This is apparently some sort of program to help track rental information but does not contain any check writing or financial programs like the regular Quicken programs. I am at loss to see how such a program would be useful, but you need to check it out yourself, if you are interested, and you can then draw your own conclusions.

Quicken is a great tool for managing your income and expense for your rentals including cash flow management. If you need more details about Quicken there are courses available at Allegany College or you can get with one of us that use the program and we can set up a system for you.

Dogs and Lawsuits

A recent court case in NY involved a third party suing a landlord for injuries caused by a tenant's dog. The first court hearing resulted in the court dismissing the case which was appealed and the higher court affirmed the lower court ruling in favor of the Landlord. The bottom line of this action was that the Landlord could not be held liable for situations which he had no knowledge of. I believe this was more of an exception than a rule. If you have knowledge of dogs or other pets in your units, that may be dangerous, you may be exposing yourself to liability. Exercise caution when allowing pets in your unit especially with breeds that are known to be aggressive and could be potential dog bite problems.

Your Business Advertisement can be displayed in this business card sized ad.

Contact Jeff Hutter at 301-777-0379 in the evenings for details or email to jjhsr@hereintown.net

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1-05

Other Lead Legislation

Courtesy of our friends in Frederick:

We are not the only landlords that are impacted by lead laws...

Rhode Island's Attorney General has testified that his state has the dubious distinction of being the lead poison capital of the United States. Rhode Island recently passed a revised Lead Hazard Mitigation Law in August 2005. The state has also filed suit against the manufacturers of lead pigment and their association including Atlantic Richfield, Sherwin Williams Inc. and others. We are under the impression that the first lawsuit was dismissed, but recently read there was a new suit that would be tried in October 2005.

The idea behind the suit is to try to force the manufacturers of lead based paint to assume responsibility for lead poisoning of children and to force them to pay for the cost of removing lead paint from the housing stock. It is our understanding that the Attorney General has enlisted the help of some of the outstanding tort lawyers who will share in the anticipated settlements. How much, if any, responsibility for clean-up and removal of lead from housing stock companies may be forced to pay is anyone's guess.

Massachusetts and Connecticut are standing by to join in the fray.

While we would all like to get some relief from the high cost of lead paint compliance, we would probably end up paying much higher paint costs in the future if these cases succeed. What a strange twist! We pay either way!

Leases and other Documents

ALOC has available leases, rental applications and tenant checklists for sale, at cost, to members. The cost for each item is as follows: Small print Lease @ \$ 0.50- Large print regular or HUD Lease @ \$ 1.25- Rental Application @ \$ 0.50 - Move in Checklist @ \$ 0.50 - Lead Paint Brochures, both EPA & Maryland and document receipt@ \$2.50 for the set - Document Receipt for MDE & EPA brochures (disclosure) @ \$ 0.25

These forms are kept at Jeff Hutter's office, TWR Comm. at 549 N. Centre Street. Any paid member can stop by and pick up whatever they need. If you need more than 5 of each item please call at least 24 hours in advance so that we can make sure we have plenty on hand. Call 777-2692 ext 113 Monday through Friday and you can talk to Pam or Gary. Please note: We do not keep MDE or City Housing registration forms on hand.

ALOC Officers

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Meeting Schedule

November 14, 2005

February 13, 2006

May 8, 2006

September 11, 2006

**Meetings are held at the
South Cumberland Library
on Race and Seymour St.
at 6:30 PM**

Thought for the Month

Some succeed because they are destined to,
but most succeed because they are determined to.

Unknown

TWR Communications 301-777-2692 9-30-04

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6-05

MDE Registration Reminder

Registration papers from the MDE will probably be mailed in November-December for Landlords to fill out and send in by December 31st. Be prepared with your turnover information and make sure you get it in on time!!