

Compass Realty Management Group

"Pointing your investments in the right direction"



Next Month's Newsletter:

Fair Housing and the Rental
Process

The Fair Credit Reporting Act and Investors

The Fair Credit Reporting Act (FCRA) has a long history and under the regulation of the Federal Trade Commission (FTC). Originally enacted in 1970, the FCRA is an amendment to add a title VI to the Consumer Credit Protection Act enacted in 1968. The FCRA is a United States federal law that regulates the collection, dissemination, and use of consumer information, including consumer credit information. While a credit-report is not the only thing that should qualify a tenant, this important legislation is crucial to how managers and investors handle those reports. A tenant screening or credit report is undoubtedly a consumer report subject to the Act. The definition of "consumer report" per 15 USC Sec. 1681(a)(d) is as follows:

The term "consumer report" means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for (A) credit or insurance to be used primarily for personal, family, or household purposes...

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We are here for you!

We provide you with professional management services for residential properties throughout the metro Atlanta area. Our business focus is to care for each individual customer and cater to their individual needs in order to deliver the highest level of personalized service at a minimal cost. Our caring Attitude and commitment to the highest standards of integrity will keep us in the forefront of the industry and will always be the focus of our property management services. We are detail oriented and leave nothing to chance ensuring that we uphold your best interest well into the

Landlords must establish reasonable procedures to assure compliance with the law. Having and observing such reasonable procedures will ensure that in the event of an honest mistake, the landlord can avoid liability. 15 USC Sec. 1681m (d)

Therefore, a landlord must demonstrate to credit reporting agencies that they obtained the report for one of the following reasons:

- The applicant has requested the report
- The landlord is obtaining a report in connection with an application initiated by the applicant
- The landlord is reviewing the credit of an existing tenant or a former tenant who owes him money
- The landlord is reviewing the credit of an existing tenant in order to decide whether to renew a lease or otherwise continue the landlord/tenant relationship

If the landlord misrepresents his interest for obtaining a credit report where one of the above interests does not exist, he probably would be liable to the reporting agency and/or the prospect or existing tenant. In addition, landlords or managers can only issue credit reports to persons who have a legitimate interest in obtaining them.

- The report should not be distributed or given to others
- Credit reports should be kept in a secure location
- Access to credit reports are to be limited to those with a need to know

The Dodd-Frank Wall Street Reform and Consumer Protection Act, effective July 2011, added new disclosure requirements. As a result, when adverse action is taken in whole or in part because of a

credit score, it is now required to disclose that score to the consumer, or in this case, the applicant or tenant.

Because of the complexity and history of this important law, this article can only attempt to highlight important aspects of the FCRA affecting investors and tenants. As time goes on there is sure to be more changes to the Federal Credit Reporting Act. In addition, there are many important state laws on fair credit reporting. As your property management company, we work to follow the requirements and subsequent changes of this important issue to protect your investment.



Our Services

- Full-service residential property management
- Aggressive rent collection
- Technology driven company
- Extensive advertising/marketing of vacancies
- Competitive rental/leasing rents and rates
- Friendly, efficient full-time office staff
- Year end - tax ready summary statement
- Easy-to-read computerized monthly financial owner statements/reports
- Access to reliable, licensed and insured maintenance contractors
- Supervise/coordinate maintenance
- Thorough tenant screening
- Administer legal proceedings, if necessary
- Cooperate with Real Estate agents
- 24 hour/7 days a week availability for emergencies
- Digital photographs of available rentals on our website

Announcements

Check Your Insurance: Events can happen - flood, extreme heat, hurricanes, fire, and more! It is important to check your insurance to obtain the best coverage possible and ensure that it is current. Review now with your insurance agent before a disaster/emergency occurs.

If An Emergency Occurs: Our first priority during any emergency is to handle the situation, taking any necessary measures for the safety of your property and your tenants. Then, we will contact you as soon as we are able.

