



RENTAL SERVICE CENTER HANDBOOK



Dear Long & Foster Sales Associates:

We value your business and hope this rental handbook on procedures for listing, taking and processing applications, lease preparation and disbursing commissions, helps guide you through a successful and seamless rental transaction.

We encourage you to read through the entire handbook to obtain a thorough understanding of the Rental Service Center guidelines and procedures.

As a team, I know we can provide our owner/clients a valuable service than can help them make an informed decision on what is likely their most valuable asset.

If you have any thoughts or suggestions regarding this rental handbook, please submit them in writing to the President of Property Management Services, at the Chantilly Corporate Headquarters office.

Remember, Rentals are a constant source of new business for you; with the potential of over \$63 million a year in Sales volume being referred out to our sales offices. Our Department is here to help you build new and future business; as rentals have proven to help agents make more contacts and expand their customer base.

Thank you for your business. We look forwarding to servicing your rental needs.

Very truly yours,

Joseph A. Amatangelo
President
Property Management & Rental Services Division

Table of Contents

Table of Contents.....	3
1. Non-Management Services	6
2. Fair Housing and Anti-Discrimination.....	6
2.1 Fair Housing Websites	9
3. Listing a Non-Management Rental	10
4. Rental Advertising Policy	10
4.1 Additional Advertising Resources	11
5. The Rental Application and Qualifying Criteria	11
5.1 Long and Foster Recommended Criteria	11
5.2 Special Application Information.....	11
5.3 Qualifying Ratios for Overall Income.....	12
5.4 WAIVER OF PROCESSING	12
6. Submitting an Application for Processing on a Non-Management Property	13
6.1 Long & Foster's ONLINE Application	13
6.2 Long & Foster's PAPER Application	13
7. How Application Updates Are Provided	16
7.1 Comet.....	16
7.2 Goldman Notifications	16
7.3 Application Processing Reports (APR)	16
8. A Decision Has Been Made	16
8.1 Accepted Applicants	16
8.2 Rejected/Denied Applicants.....	17
9. Preparing the Non-Management Lease.....	17
9.1 Special Lease Information	17
9.2 Figuring Pro-Rata Rent	18
9.3 Clause for Rental Situations	18
9.4 Miscellaneous Maintenance	19
9.5 Other Clauses	20
9.6 Security Deposits/Pet Deposits.....	20
10. Commission Schedule for Non-Managed Properties.....	20
10.1 L&F Listed Transaction: Commission Charged To Property Owner	20
10.2 L&F Listed Transaction: Commission Payment to Long & Foster Agents Involved In the Transaction.....	20
10.3 CO-Ops (Other Firm's Listings).....	21
10.4 Rental Bonuses	21
10.5 Off The Top	21
10.6 Referral/Finder's Fee	22
10.7 Owner Agents	22
11. Receiving Your Commissions	22
11.1 Insufficient Funds (NSF)	23
12. Contacting the Rental Service Center	23
12.1 Mailing Address	23
12.2 Phone Numbers.....	24
12.3 Email Address.....	24
13. APPENDIX A: Commission Payment Example	25
14. APPENDIX B:.....	26
How to Have a Successful Non-Managed Rental Transaction	26

Revision History

This section provides control for the development and distribution of revisions to the Rental Service Center – Rental Handbook.

The table below includes the version number, the date of update/issue, the author responsible for documenting the change and a brief description of the context and/or scope of the changes in that revision.

Date	Version	Description	Author
04/01/2009	1.0	Initial Document	SAB
12/11/2009	1.1	Application Information	KB
06/02/2010	1.2	W-9 New IRS Tax Regulation Requirement	KB
10/06/2010	1.3	First Month's Rent/EMD (earnest money deposit)	KB
11/29/2010	1.4	Military Clause updates COMET updates	CTB
01/07/2011	1.5	Changed welcome letter	CTB
06/10/2011	1.6	Updated Section 3- Added LF183V Added Section 5 – The Rental Application Updated Section 8.2 with regards to the Action Letter Updated Section 10 regarding commission payments to owner agents. Added Appendix A –Commission Payment examples Changed some formatting throughout the document. Added Appendix B – 4 Steps to Processing a Successful Non-Managed Rental Transaction	CTB
02/16/2012	1.7	Section 6.1 - Removed EMD requirement at the time application is processed, updated processing information Updated Section 10.2 - Added information regarding Plans for Success	CTB

06/07/2012	1.8	Section 5.4 - Updated Applicant screening criteria	CTB
07/26/2012	1.9	Section 9.6 Added section regarding Security Deposit/Pet Deposits	CTB
05/28/2013	2.0	Correction to page 15 regarding the Adverse Action Letter	CTB
01/29/2014	2.1	Section 11 – added information regarding COMET and CSOL –Rental Section 11 – Removed W-9 requirement for homeowners Appendix B – Changed to 5 Steps to Processing a Successful Non-Managed Rental Transaction – added Step 4 regarding Comet and CSOL-Rental	CTB
1/12/2015	2.2	Section 9.2 – corrected typo 31 days in October to 30 days	CTB
3/12/2015	2.3	Section 3 – Updated process for listing a non-management rental Section 3 – Updated the MDE requirement for pre-1978 Section 3 – Updated Basic Business License for DC Section 5 – Removed rental application information Section 5 – Added Rental Recommended criteria Section 6 – added the online and paper Applicant process	CTB
5/4/2015	2.4	Section 14 Appendix B – Changed 5 Steps to Processing a Successful Non-Managed Rental Transaction – How to Have Successful Rental Transaction Section 5.4 Changed information about Waiver form LF826	CTB
7/09/2015	2.5	Presidents Letter – Changed Vice President to President Section 12.2 Changed RSC Operations Manager to RSC Director	CTB
06/01/2016	2.6	Section 6.2 Removed the information about the Paper Application being on the website.	CTB
04/01/2017	2.7	Section 6 , 6.1 & 6.2 Rental Application fee increased	CTB
4/25/2017	2.8	Section 14 Appendix B – Updated Phase 1	CTB

1. Non-Management Services



The Property Management Division offers Non-Management Services through our Rental Service Center for owners/investors who list their rentals with Long & Foster. **The Rental Service Center's hours of operation are Monday – Friday 9am – 5pm. The Rental Service Center will be closed in accordance with the Long and Foster's official holiday schedule.**

Owners/investors who wish to maintain and manage their own properties, yet need the services of a Long & Foster Real Estate Agent to secure a tenant, may list the property for rent through Long & Foster thus allowing them to utilize the Rental Service Center for processing of all rental applications.

Please Note: The Rental Service Center does not process applications for replacement tenants (roommates); we only process applicants on properties that are listed for rent through Long & Foster.

All forms necessary for working with Non-Management cases are located in the Xcelerate program on the L&F Café <http://cafe.lnf.com/agent%20cafe/tools/xcelerate/> for your convenience. **As laws are constantly changing our staff strives to keep our forms current. For the current version of forms please use "XCELERATE" when printing forms.**

2. Fair Housing and Anti-Discrimination

Long & Foster does not discriminate in the renting or selling of houses. Fair Housing should be discussed prior to agreeing to list the property. If an associate encounters an owner of a potential rental listing who wants to consider any protected class (race, color, sex, religion, age, national origin, familial status, disabilities or other classifications protected by applicable laws) as a factor in deciding to accept an application, the associate **MUST** inform the potential client of the applicable anti-discrimination laws. If the potential client still wishes to discriminate, the associate **MUST** refuse to list the property and inform his /her Broker immediately.

Owners will frequently be inclined to think discrimination in rentals is not discrimination, but simply reasonable protection of their investment. Some owners believe that persons identified by one of the protected groups are more likely to cause damage, offend neighbors, or default on the rent. Educate the owner that the Long & Foster Rental Service Center (RSC) has the ability to thoroughly screen applicants via credit, criminal background and eviction court records searches. The Agent should advise the owner that they should make their decision based on the actual information gathered about that particular applicant rather than on a preconceived bias against the individual.

The rental application should not be given to the homeowner, but the agent should review the application and share non-identifiable information with the homeowner to show that the applicant meets the requirements to be screened as a potential tenant for their unit.

Federal law prohibits discrimination based on race, color, sex, religion, national origin, familial status or disability (mental or physical). States, counties and local jurisdictions may add other protected categories. Associates need to know all of the fair housing laws associated with the areas they are marketing properties.

SOURCE OF INCOME - In any jurisdiction where source of income is a protected category, it is vitally important that associates understand how to explain this to potential Landlords. Applicants in these jurisdictions need not have earned income. Their source of income could be investments, savings, parents, and/or Housing Choice Vouchers (Section 8). Landlords in these jurisdictions cannot refuse to consider these applicants.

Associates working in the District of Columbia, Montgomery, Howard County and Frederick County, Maryland must give their Landlords a copy of ***The Fair Housing for Owner of Residential Real Estate*** flyer (LF1077). This flyer is available through the online Xcelerate forms program at <http://cafe.lnf.com/agent%20cafe/tools/xcelerate/> for your convenience.

The remarks field of the MRIS listing (but not print ads) for these jurisdictions (District of Columbia, Montgomery and Howard County, and Frederick County, Maryland) must include the phrase “**Section 8 applicants welcome**” regardless of price range.



LONG & FOSTER[®]

FAIR HOUSING FOR OWNERS OF RESIDENTIAL REAL ESTATE

Non-discrimination on the basis of race, color, religion, sex, familial status, national origin, and/or other protected classes in the sale and rental of residential real estate is fundamental to our nation's principles of fairness and freedom. Federal, state, and local fair housing laws which prohibit discrimination against these protected classes apply to the marketing, sale, and/or rental of many residential properties. As REALTORS[®], it is our duty to inform our clients about these laws in order to promote compliance with the fair housing laws and objectives. We, at Long & Foster[®] Real Estate, Inc., have therefore, developed this advisory for your information and use.

The fair housing laws of many local governments, such as counties and municipalities, include "protected classes" in addition to those (race, color, religion, familial status, etc.) listed above. One such class is that related to "source of income." The federally-funded Housing Choice Voucher program provides direct government payments to landlords who rent to eligible holders of the program's vouchers. Although at the federal level, the program is voluntary, in the District of Columbia as well as Montgomery and Howard Counties in Maryland, local laws prohibit landlords and owners of rental property from discriminating against voucher holders based on source of income in the terms and conditions of rental housing or in the application of income requirements. This prohibition of discrimination against voucher holders includes refusing to rent to voucher holders, misrepresenting availability of rental housing to voucher holders, and discriminatory advertising about voucher holders based on source of income. Threats, intimidation, coercion, and retaliation against assertion of a fair housing right by voucher holders is also prohibited as is enforcing any policy or practice that may have an inadvertent discriminatory impact on voucher holders.

Participation in the housing choice voucher program comes with many advantages for landlords, including timely rent payments and competitive rents. We encourage landlords to contact local public housing agencies for further information about landlord and tenant responsibilities in the housing choice voucher program. Different public housing or human rights agencies/commissions may have special incentives for landlords. For more information, contact the District of Columbia Housing Authority, the Housing Opportunities Commission of Montgomery County or the Howard County Housing Commission. If your property is located in another county or municipality, you may wish to contact the public housing or human rights agency of your respective county/municipality.



5/06

LF1077

2.1 Fair Housing Websites

The following websites provide excellent information regarding specific fair housing information based on federal and state laws. Remember that there may be additional requirements at the county and city level and the laws change. It is best to check the sites periodically for updated information.

- Long & Foster Policy:
 - <http://cafe.lnf.com/departments/Legal/Documents/fairhousingmanual.pdf>
- Federal:
 - <http://www.nationalfairhousing.org>
 - <http://www.fairhousing.com>
 - <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>
- Fair Housing Newsletter:
 - <http://www.hud.gov/offices/fheo/library/newsletter-wtr07.pdf>
- Fair Housing Laws & Presidential Executive Orders
 - <http://www.hud.gov/offices/fheo/FHLaws>
- Delaware Housing Collation:
 - http://www.housingforall.org/fair_housing.htm
- DC Department of Housing and Community Development
 - <http://dhcd.dc.gov/dhcd/site/default.asp?dhcdNav=|32167|>
- Maryland Fair Housing Laws:
 - <http://www.peoples-law.org/housing/ltenant/bni/md%20fair%20housing%20law.htm>
- New Jersey Department of Community Affairs:
 - <http://www.state.nj.us/dca/fairhousing/>
- Pennsylvania Department of Community Development:
 - <http://dsf.chesco.org/ccdcd/cwp/view.asp?a=3&q=610333>
- Virginia Fair Housing Office
 - <http://www.fairhousing.vipnet.org/>
- West Virginia -- HUD:
 - <http://www.hud.gov/local/index.cfm?state=ww>
- North Carolina Fair Housing Laws
 - <http://www.doa.state.nc.us/hrc/>
- Discrimination Complaints – HUD
 - <http://www.hud.gov/complaints/housediscrim.cfm>

Additional information regarding Fair Housing Resources is available on Long & Foster Café at: <http://cafe.lnf.com/departments/Legal/Pages/FairHousingResources.aspx>.

3. Listing a Non-Management Rental

When taking a Non-Management Rental Listing Agreement, your documents should be completed and faxed to your assigned Rental Service Center Team with the ***Rental Listing Transmittal*** (LF1693). All paperwork is retained in your sales office.

1. Enter listing into the Multiple List System

ALL NEW LISTINGS require the following documents be faxed or emailed:

DC, DE, NC, NJ, PA, MD, VA, WV

- A signed Exclusive Rental Listing Agreement LF183 signed by all legal owner
- OR
- Board Listing Agreement **(with Owner, Agent & Branch Manager's signatures)**

AND

- **LF180** Addendum to the Multiple Listing System or Board Listing Agreement
- ACTIVE MLS Printout

Virginia Only:

- Addendum to Rental Listing Agreement **(LF183V)**

Maryland only:

- Maryland Lead Based Paint Addendum **(LF045)** *Signed by Landlord*
- Maryland Lead Based Paint Addendum **(LF044)** **(required ONLY if using the GCAAR Listing Agreement)** *Signed by Landlord*
- MDE Lead Test Certificate when applicable (required pre-1978)

VERY IMPORTANT: Before listing the property, verify date built from the tax record. Effective January 1, 2015, all residential rental properties constructed prior to 1978 must comply with Maryland's Lead Risk Reduction Act. Additional information regarding Maryland properties built between 1950 and 1978 will be found at <http://www.MDE.State.MD.US>.

NOTE: Owner/Landlord may be required to have a "License" from the local jurisdiction (such as Fairfax City, Wilmington and Baltimore) to rent this property. Owner/Landlord should call respective local government offices for details.

District of Columbia only:

- Owner/Landlord is **required** to have a Basic Business license from the city to rent properties located in DC. Owner/Landlord should call respective local government offices for details or check into the website <http://www.dc.gov>.

4. Rental Advertising Policy

Print media is the least effective method of marketing a property. Long & Foster has developed extensive internet capabilities for marketing through 'TheSystem', 'MySystem', YouTube and longandfoster.com. In the same manner as sales listing, every rental listing should be listed in the MLS with a minimum of six (6) photos, where applicable. In most jurisdictions, those MLS listings

are automatically uploaded into the MySystem where you can enhance the listing with more photos and information at no charge through 'TheSystem'.

In addition to the company website and your personal 'MySystem' website, you may want to consider the use of other internet sites, many of which are free. Remember, in all advertising both your license name and the broker information must be displayed and all Fair Housing and state/local licensing rules are adhered to.

4.1 Additional Advertising Resources

Ahrn.com (Automated Housing Referral Network)

Free service sponsored by the Department of Defense and is designed to improve the process of securing available housing for relocating military members and their families. Listings can be posted for 30 days.

Postlets.com

Postlets™ is a category-specific ad that you can build, one time and post on several top classified sites quickly and easily. All you have to do is enter your ad information and upload your photos. You can pay for additional upgrades, but the basic service is Free.

5. The Rental Application and Qualifying Criteria

5.1 Long and Foster Recommended Criteria

These are only recommended criteria; the homeowner may select any applicant they choose.

- Minimum credit score of 600
- No collections, judgments, liens, foreclosure or short sale. Medical collections and student loans excluded.
- Verifiable source(s) of income of 40 times the tenants monthly rent.
- Verifiable source(s) of income for the 12 month period preceding this application.
- At the homeowners discretion pets may or may not be accepted. If you have pet, call the listing agent or Property Manager before submitting your application.
- Satisfactory and verifiable rental history.
- No evictions within the last 10 years.
- No occupant with felony criminal convictions in the last 10 years.
- No occupant with convictions within the last 10 years for crimes relating to violence, property theft, sexual offenses, crimes against minors or any type of crime that would threaten the peaceful living enjoyment of residential premises. No convictions for the possession, distribution, or manufacturing of drugs in the last 10 years.

5.2 Special Application Information

When taking an application, the renting agent should review the applicant's photo I.D. for identification purposes. **Due to Fair Housing concerns, the photo I.D. should not be copied.**

Any co-signer/guarantor will be required to submit an application and an application fee. All co-signers/guarantors should be evaluated as individuals and should qualify for the entire rental payment plus their own mortgage/rent obligations.

For the landlord's consideration, applicants who are foreign embassy personnel should provide an official letter from their Embassy detailing the anticipated tour of duty and the responsible party for the rental payments.

Applicants should retain a copy of the signed application for their record.

Some jurisdictions, (such as the District of Columbia, Howard, Montgomery and Frederick counties in Maryland) that include Source of Income in their Fair Housing laws, require owners to consider HUD applications. This does not mean the Landlord must accept the applicant if they do not meet Long & Foster qualifying criteria, to include good credit. In jurisdictions where the owner has a choice, unless the owner indicates their decision not to participate, all Housing Choice Voucher applications (formerly known as Section 8) should be considered.

NOTE: The Rental Service Center does not offer renter prequalification credit history.

5.3 QUALIFYING RATIOS FOR OVERALL INCOME

Total income (combined income of all applicants to the lease) should be financially qualified at the 30% ratio. When there is no regular income, it is recommended that liquid assets be at least five (5) times the yearly rent. To calculate the 30% ratio multiply the monthly rent by 40 to determine the necessary gross annual income. **For Housing Choice Voucher participants you multiply the applicant's portion of the rent by 40.**

$$\frac{\text{RATIO}}{30\%} \times \frac{\text{MULTIPLIED BY RENT}}{\$2000} \times \frac{\text{FACTOR}}{"40"} = \frac{\text{NECESSARY GROSS INCOME}}{\$80,000}$$

5.4 WAIVER OF PROCESSING

Allowing an owner to sign a waiver of processing is discouraged at Long & Foster. According to the Patriot Act, owners are legally obligated to have each applicant processed against the Specially Designated National List (SDN). Long & Foster includes this service as part of the basic processing procedures.

Should a property owner choose for whatever reason, to lease to a tenant whose rental application was not processed through Long & Foster Rental Service Center, a waiver of processing form LF826 is required. The form with the owner's signature will be necessary at the time the co-applicant's application is processed or with the lease documents if all of the tenants are not being screened by Long and Foster.

Note: It is imperative that appropriate steps are taken to meet the obligations stated within the Listing Agreement.

6. Submitting an Application for Processing on a Non-Management Property

All units are rented in accordance with federal and state fair housing laws. Each unit is to be used only as a private dwelling and we adhere to the zero-tolerance rule. All deposits, fees and rents must be paid prior to possession of the property being granted.

Each person 18 or over should submit a signed application and application fee (\$45 per adult or \$130 when requesting a Small Business Report). They should be evaluated and named on the lease. All occupants should be processed in order to protect the owner by assuring that each adult residing in the property is solely and jointly responsible for all terms and conditions of the lease. In addition, as required by law, each applicant is scanned against the Specially Designated National List (SDN), or otherwise known as the Terrorist Watch list per the Patriot Act; and matched against local court housing records for nonpayment of rent.

6.1 Long & Foster's ONLINE Application

The Online Rental Application can be accessed via the Long and Foster website.

- Send applicant to Long & Foster public website www.longandfoster.com
- Applicant enters the property address or MLS number then selects search
- Select the property pictures to go to the details the search results
- The applicant selects the RENTAL APPLICATION BUTTON located above the agents information
- Applicant completes the application and pays the \$45 per person application fee with a credit card
- Applicant submits proof of income to the listing agent
- Rental Service Center emails a copy of the application and credit report to the Listing agent.

6.2 Long & Foster's PAPER Application

The PAPER Rental Application can be accessed via Xcelerate

When a paper application is received, verify you have signature(s) for each applicant. Legally, we must have a signed application before any processing can begin. To insure prompt processing, the Listing Agent will need to review the application, prior to **faxing or emailing** to your Rental Service Center Team. After faxing your Rental Service Center Team, all paperwork should be retained in your sales office.

***NOTE:** The **Listing Agent** should have **contingencies approved/removed** prior to sending the application to RSC for processing.

A paper application is considered complete when it includes the following:

A. A completed Rental Application (LF182)- with the following applicable information completed:

- ✓ Offer of terms (i.e. address applying for, occupancy date, lease length & offer of rent)
- ✓ Full legal names (including maiden name) and addresses of each applicant
- ✓ Social Security Numbers **(If an applicant provides an Individual Taxpayer Identification Number (ITIN) in lieu of a Social Security Number (SSN), we are unable to provide credit information, but still must process the applicant's information against the terrorist watch list.)**
- ✓ A copy of the 2 most recent pay stubs, Offer of employment letter, proof of source of income, and if **Self-employed Applicants** , copies of 1040 & Schedule C for last year filed. **(Note: that Net Income on page one is considered as gross income for purposes of qualifying). If owner requires, also include:** Year to Date Profit/Loss Statement and Balance Sheet

NOTE: Do not use a Confidential Client Information Sheet as a substitute for a paper rental application, necessary information for processing is not contained on this form.

- B. A non-refundable processing fee (\$45 per adult or \$130 when requesting a Small Business Report) made payable to Long & Foster.**
- C. Current Leave & Earnings Statement (LES) and/or copy of military transfer orders, when applicable.**
- D. Agency Disclosure Form (LF232) (LF234) for Designated Representative Agency, LF233 for Dual Representation Agency) initialed and signed by all applicable parties.**

THE RENTAL SERVICE CENTER WILL PROCESS BONA FIDE RENTAL APPLICATIONS, WHICH MUST INCLUDE THE PROCESSING FEE CHECKS IN THE LONG AND FOSTER AGENTS POSSESSION BEFORE PROCESSING BEGINS.

Applicant Process

- Applicant must have already visited the property for which they are applying. Applicant will need information from the agent who showed them the property.
- Carefully read details on website about how to fill the form and what information is needed.
- Follow steps to locate and save form to computer hard drive or complete the online application.
- Carefully read disclaimers and legal notices.
- Type entries in form as instructed by form and by showing agent. Contact showing agent for assistance in completing form correctly.

- Print completed form, sign, and return to showing agent for processing. **Do not attempt to e-mail the form as your inputs will be lost.**

Agent Process

- Collect the information needed to complete the paper or online form and explain process to Applicant(s), including other forms necessary for them to complete in addition to Rental Application.

- Application forms can also be accessed within Xcelerate form number LF182.

Note: The handwritten form may delay the Rental Service Center processing if there are legibility issues.

Download the application from the website each time (do not keep a copy on your hard drive) as the Rental Service Center strives to keep informed of new legislation and forms are updated as changes occur.

- Instruct the applicant(s) in how to fill out the form and to print it (Word allows saving of in-progress form, PDF does not).
- Inform applicant(s) of your delivery requirements and explain fees as normal.
- Once applicant(s) return completed forms, follow your normal review process and if the forms are accurate, submit via fax to your Rental Service Center Team.

Advanced Notes

- Do not use a public computer such as a cyber café, school, or library computer as personal information is vulnerable on these computers, even if the form is not saved.
- Word form allows saving of form data. Modifications to the content of this form other than the data entry fields will render the form invalid and require a new application.
- PDF form should be used for maximum compatibility (free downloadable Reader software). PDF form does not allow saving of form data. All entries must be made and form printed in one "session".

Applicant(s) **must** be offered a **SAMPLE** copy of the deed of lease for their review at the time of application. Blank leases should never be handed out of the office unless "sample" has been written in BOLD LETTERS on each and every page.

NEVER remove a property from the rental market because an application is pending. It is unlawful to indicate to the public that a property is not available until the owner or his property manager has approved an applicant. **It is still on the market until the tenant and owner have executed a lease.**

The Rental Service Center has gone **GREEN!** Agents no longer need to send any documents for processing a rental transaction or commission via U.S. mail/FedEx. Please fax or email all documents for processing to your Rental Service Center Team. Original paperwork remains at the local branch office. ** If you do not know the team assigned to your sales office, ask your office administrator or give us a call; we'll be happy to assist you.

Within approximately **SIX (6) Business Hours** of receiving a complete Rental Application (with all owner contingencies removed) from the Listing Agent; Rental Service Center the completed Application Processing Report or an email requesting any missing documentation. As part of the screening process, we will run a full credit report to include nationwide court records, landlord tenant records, criminal background check and screen against the Specially Designated List. .

Note: If you would like reports sent to any other e-mail accounts (outside of your Long and Foster account), please contact the Help Desk for assistance in setting up forwarding to the desired account.

7. How Application Updates Are Provided

7.1 Comet

If you would like to track the status of your case, check out Rental Service Center Online Status for Rental Applications (COMET) available on Long & Foster Café, under Rental Service Center, and then click on [COMET](#). Comet can also be accessed at [COMET.LNF.COM](#).

7.2 Goldman Notifications

Agents will receive a Goldman email confirming receipt of the listing agreement and application. This email will also request additional information that is needed for processing should anything be missing.

7.3 Application Processing Reports (APR)

Application Processing Reports (APR) are sent to the agent via the Listing Agent's Long and Foster email account or if necessary, faxed to the Listing Agent's Sales Office.

Note: All communication is provided via the Listing Agent's Long and Foster email account

8. A Decision Has Been Made

Once your client/landlord has made an informed decision, please fax the signed Application Processing Report to your Rental Service Center Team as soon as the owner has accepted or denied the applicant.

8.1 Accepted Applicants

IF APPLICANT IS ACCEPTED, Forward the First Month's Rent/EMD (earnest money deposit) check to the Rental Service Center, attached to the Check Transmittal form (LF568). These funds should be put on deposit as soon as possible.

APPROVE offer in Phase 2 of COMET and complete CSOL - RENTAL.

8.2 Rejected/Denied Applicants

IF APPLICANT IS DENIED, the Rental Service Center will **deposit** the application processing fee. First Month's Rent/EMD (earnest money deposit) checks, which ***should be held*** by the agent until an applicant is ***either accepted or rejected***, should then be returned by the agent to either the applicant or the applicant's agent.

NOTE: Due to the requirements of the Federal Fair Credit Reporting Act, the applicant or tenant MUST be provided an Adverse Action Letter, when an applicant is:

1. Denied or
2. Has a condition of acceptance based wholly or in part on a consumer report (i.e. credit report):
 - a) is required to have a co-signer
 - b) charged a higher rent or additional security deposit

The Adverse Action Letter will be sent to the Listing Agent when the APR is sent. The Agent must mail or hand deliver to the applicant the Adverse Action Letter notifying the applicant of the denial or conditional requirements. If not provided directly to the applicant the agent must notify the Team that supports their sales office if any of the above mentioned conditions occur, so that Long & Foster can forward the federally required Adverse Action Letter to the applicant.

9. Preparing the Non-Management Lease

Preparation of the non-management lease is the responsibility of the Listing Agent on L&F Non-Management Listings. On cooperative brokers' leases, the listing broker will determine who is to prepare the lease. If they insist that you, the renting agent, prepare the lease you should NOT use the L&F lease, but rather use the lease provided by your local Board of Realtors.

9.1 Special Lease Information

Application Processing Report (APR) will require the landlord's signature if derogatory or missing information is involved and the landlord accepts the applicant.

If the property owners are represented by an Attorney-in-Fact, a copy of the Power-of-Attorney must accompany the signed lease. **Note:** Long & Foster associates may **not** serve in this capacity.

Agents should **NOT** perform move-in or move-out surveys due to legal implications. Forms are available to the sales associates via E-forms as a courtesy and may be provided to the landlord or tenant for the owner's use.

Paragraph 2 of the Lease specifies where rent is to be paid. A Long and Foster Sales Office address should **never** be listed here.

Agents should note that check- in/check -out activities, collecting rent, performing maintenance and other landlord activities. These activities are considered Property Management duties and agent's E&O insurance, will not cover these activities.

9.2 Figuring Pro-Rata Rent

Effective February 1, 2005 the formula for figuring pro-rata rent will be based on annual rent and actual days. Always divide the annual rent amount by 365 regardless of what month it is, i.e., January, February or June. Since the first 30 days rent is collected with the application, the prorated period covers the 31st day of occupancy to the end of the second month, and is due on the first day of the second month.

Compute as follows:

A house rents for \$1200 per month $\$1200 \times 12 = \$14,400$ divided by 365 = \$39.45

Tenant is to occupy on 18 October

First month's rent covers first 30 days18 October through 16 November (30 days)

Prorated period is 17 November through 30 November (14 days)

$\$39.45 \times 14 \text{ days} = \552.33

9.3 Clause for Rental Situations

TRANSFER CLAUSES

All notices must be no less than thirty (30) days and coincide with the rent cycle. If the rent is due on the 1st day of the month, all notices must be received no later than the last day of the month preceding the commencement date of the notification period. (Excludes Military Clause – see below)

Military Transfer Clause - Applies to Armed Forces Members –

The requirement to release the tenant is based on the Service members Civil Relief Act of 2003.

If Landlord or spouse is, or hereafter becomes a member of the United States Armed Forces, U.S. State Department, USAID, or any other Federal Government Agency on extended active duty and is transferred under PCS/Transfer orders, transferred to temporary duty of ninety (90) days or more duration, or is released or retired from active duty and is returning to the dwelling unit during the Lease Term, he may terminate this Lease by giving the Tenant days written notice to that effect.

If the Tenant is or becomes a member of the United States Armed Forces, U.S. State Department, USAID or any other Federal Government Agency on extended active duty and is transferred under PCS orders thirty-five (35) miles or more from the location of the dwelling unit, transferred to temporary duty of ninety (90) days or more duration, or is abruptly and unexpectedly released or discharged from active service during the

Lease Term, he may terminate this Lease by giving the Landlord/Agent thirty (30) days written notice to that effect, together with an official copy of his orders.

Regular Transfer Clause

It is hereby mutually agreed that in the event TENANT is assigned (more than thirty (30) miles from the property) out of the Metropolitan area of Washington, D.C. by virtue of his current employer, this lease may be terminated by TENANT giving LANDLORD _____ days written notice of the change in employment status, accompanied by a copy of the transfer notice by current employer. The notice period runs from the first day of the first full month following notice.

Diplomatic Transfer Clause – TENANTS

It is further mutually agreed that in the event TENANT is transferred out of the Metropolitan area of Washington, D.C., by orders of his Government, this lease may be terminated by TENANT giving _____ days written notice to LANDLORD, accompanied by a copy of the official transfer orders. The notice period runs from the first day of the first full month following notice.

Diplomatic Transfer Clause - for LANDLORD'S Re-occupancy *Note: this clause in unenforceable in the District of Columbia*

It is further mutually agreed that in the event LANDLORD is transferred back to the Metropolitan area of Washington, D.C., by virtue of orders from the Government, this lease may be terminated by LANDLORD giving TENANT _____ days written notice of his return, accompanied by a copy of written return travel orders. The notice period runs from the first day of the first full month following notice.

Mutual Diplomatic Transfer Clause - TENANT & LANDLORD *Note: this clause in unenforceable in the District of Columbia*

It is hereby mutually agreed that if TENANT is transferred out of the Metropolitan area of Washington, D.C., or LANDLORD is transferred back to the Metropolitan area of Washington, D.C., by virtue of their Government, this lease will be terminated upon receipt by LANDLORD/TENANT of _____ days written notice and a copy of the official travel orders. The notice period runs from the first day of the first full month following notice.

9.4 Miscellaneous Maintenance

LANDLORD will continue to engage _____ Lawn service for the lawn treatment and fertilization. The TENANT is responsible for the watering, mowing and weeding of the lawn and trimming of the shrubbery.

LANDLORD agrees to provide the TENANT with pool service of _____ Pool Company. The pool service is limited to weekly pool treatments during the season, seasonal open and closing and emergency cleaning due to storm damage. It is understood that the pool service is from Memorial Day through Labor Day inclusive. The LANDLORD will leave the pool cover, pool sweep, nets, and solar blanket for the TENANTS. Replacement of any damaged items, i.e., pool cover, pool sweep, etc. will be at TENANT'S expense if due to TENANT'S abuse. TENANTS are responsible for covering the pool during the off season.

9.5 Other Clauses

Move-in Fee

TENANT is responsible for move-in fee of \$_____ (non-refundable) payable to _____ Condo Association.

Condo/Board Leases

Due to the requirements of the _____ Cooperative Association, two leases are required for signature. In the event of conflict between the two leases, the _____ Cooperative Association lease will prevail in areas pertaining to By-Laws and Board of Directors Rules and Regulations. The Long & Foster lease will prevail in other instances, specifically in settlement of security deposit and management of the unit by LANDLORD/AGENT.

9.6 Security Deposits/Pet Deposits

The homeowner/landlord is responsible for collecting the security deposit and any pet deposits. The check is made payable to the homeowner/landlord. This check is generally collected at lease signing. The homeowner makes the determination of when this check will be collected.

10. Commission Schedule for Non-Managed Properties

Fax copies of all the above forms to your Rental Service Center Team. In West Virginia, ONLY THE BANK STAMPED DEPOSIT SLIP CARBON should be sent VIA COURIER, stapled to a LF568 form.

10.1 L&F Listed Transaction: Commission Charged To Property Owner

Long & Foster's Associates should charge a Leasing Commission to the Property Owner:

- 100% of First Month's Rent/EMD (earnest money deposit) for a lease 1 to 12 months (leases less than twelve months still require the considerable time; energy and expense for both the agents and the company).
- 25% of New Monthly Rent for each additional year -due at time of lease ratification

THESE COMMISSIONS ARE REQUIRED AND SHOULD NOT BE REDUCED.

10.2 L&F Listed Transaction: Commission Payment to Long & Foster Agents Involved In the Transaction

The Long & Foster Associate will receive a 60% split on either side of a transaction - listing or renting – which they work. This represents a 50/50 split with an in-house bonus of an additional 10/10 split. The renting side is designated by the listing agent and identified in MULTIPLE LISTING SYSTEM (MLS) under compensation. Bonus levels for sales referred to in the Residential Commission Schedule, do not apply to rentals.

COMMISSIONS ARE DISBURSED AS FOLLOWS: (see example in Appendix A)

Listing side of the transaction: 60/40 split
Renting side of the transaction: 60/40 split (based on
MULTIPLE LISTING SYSTEM printout)
Co-op Companies: 50/50 of amount as specified in MULTIPLE LISTING
SYSTEM

***If an agent is on Plans for Success they will receive the PFS split.**

Cooperating Brokers on the renting side of the transaction are paid immediately upon deposit of First Month's Rent/EMD (earnest money deposit) and a copy of the ratified lease, if we have a current W-9 that has been verified by the Internal Revenue Website.

10.3 CO-OPs (Other Firm's Listings)

When a Long & Foster Associate rents another company's listing, the commission is split 50/50. Any bonus disclosed in MULTIPLE LISTING SYSTEM will be paid to the Associate. (See Rental Bonuses below)

If you have *in your possession* the Co-op check, to expedite Co-op payment, please send via courier to the Rental Service Center with the following:

- LF189 - Co-op Rental Check Transmittal
- Check (made payable to Long & Foster)
- Copy of MRIS (necessary for all pass thru bonuses)

If you are *not in possession* of the check, to expedite payment, please fax to your RSC Team Fax # for your sales office the following:

- LF189 – Co-op Rental Check Transmittal
- Copy of MRIS (necessary for all pass thru bonuses)

10.4 Rental Bonuses

All rental bonuses paid by any firm or paid by the listing agent to the renting side of a transaction shall be passed through directly to the renting agent. If the company net (company dollar) is less than 20% of a month's rent, then the bonus will be used to bring the company net up to 20% of a month's rent and the remainder will be passed through to the Associate.

Please Note: Pass thru bonuses are to be collected in addition to the agreed upon listing commission, they are not paid off the top. **NO bonus will be paid on listing side.**

10.5 Off The Top

As of January 31, 1992, there is an "off the top reduction" of .0036 of the gross commission in Northern Virginia and West Virginia and .0060 of the gross commission in Hampton Roads before the Associate's share of rental commission is calculated. This is due to the increased cost of doing business in Virginia/West Virginia and is being shared equally between the company and the Associates. This does not apply to MD, DC, PA, NJ, NC or DE.

10.6 Referral/Finder's Fee

Referral/Finder's fees, of \$50.00 or less, paid by another firm to an Associate as a fee for a prospect's name, but not as a commission, shall be passed through directly to the Associate.

NOTE: All other rental fees collected shall be paid according to the normal Rental Commission Policy.

10.7 Owner Agents

As a courtesy, Long and Foster will reimburse Owner Agents, on the listing side, at 50% of the company dollar on their rental investment property that are listed with a full commission. Owner Agent must have 50% owner interest in the rental investment property. (See Appendix A)

11. Receiving Your Commissions

L&F strives to pay rental commissions as soon as a case is FIRM. In order to consider a non-management rental case FIRM, certain items must be considered mandatory. These are detailed as follows:

1. Offer approved in Phase 2 on COMET and CSOL - Rental completed
2. Signed Rental Listing Agreement (**LF183**).
3. Signed Rental Application (**LF182**) (signed by all applicants) and Landlord/Tenant Agency Disclosure (**LF232**).
4. Application processing fees collected; **if not received, it will be necessary to debit the Listing Agent's account for the uncollected funds.**
5. Signed Application Processing Report (APR), where derogatory or missing information is involved on non-management cases.
6. First Month's Rent/EMD (earnest money deposit) equal to one month's rent check (binder) is on deposit. Additional commission funds on multi-year leases.

First Month's Rent/EMD (earnest money deposit) check must not say "SECURITY DEPOSIT"

7. Copy of fully-ratified Lease; this means signed by all tenants and property owners.
8. Federal Lead Based Paint Lease Addendum. (LF090)
 - i. Additionally, on Maryland cases the following forms are required:
 - a) Maryland Lead Based Paint Addendum (LF045)
 - b) MDE Lead Testing Certificate, if applicable
 - ii. Unless Certified Lead Free, a new certificate is required prior to occupancy of each new tenant. You can contact <http://www.mde.state.md.us> or in Maryland you can call 1-800-776-2706 if you have questions about this law.
9. Copy of MRIS (necessary for all pass thru bonuses)

ONCE ALL OF THESE ITEMS HAVE BEEN RECEIVED FROM THE LISTING AGENT/PROPERTY MANAGER, THE CASE WILL PROCEED FOR DISBURSEMENT.

Note: It is our firm's policy to pay all cooperating brokers on the renting side of the transaction upon deposit of earnest money and tenant's signature on the lease.

11.1 Insufficient Funds (NSF)

Once the case is FIRM, please note that rental commissions are disbursed without waiting for the tenant's check to clear the bank.

IF THE TENANT'S CHECK BE RETURNED FOR INSUFFICIENT FUNDS, THE LISTING AGENT INVOLVED WILL BE NOTIFIED TO COLLECT CERTIFIED REPLACEMENT FUNDS: AFTER 30 DAYS WITHOUT RECEIVING REPLACEMENT FUNDS, THE COMMISSIONS PAID WILL BE BACK-CHARGED TO THE AGENT'S ACCOUNT AND ALL P.C.'s PAID REVERSED UNTIL SUCH TIME AS THE TENANT'S CHECK IS REIMBURSED TO LONG & FOSTER.

L&F's goal is to provide fast and efficient service in assisting our associates in the representation of their investor client.

FOR COMMISSION DISBURSEMENT ON A NON-MANAGEMENT RENTAL – Delaware, District of Columbia , Maryland, New Jersey, North Carolina, Pennsylvania , Virginia and West Virginia

Please use a LEASE DOCUMENTS FOR COMMISSION TRANSMITTAL CASE SHEET (LF1694) when faxing all documents to the RENTAL SERVICE CENTER.

COMMISSIONS WILL BE PAID AFTER ALL CORRECT DOCUMENTS LISTED ON THE TRANSMITTAL CASE SHEET ARE FAXED/RECEIVED AND First Month's Rent/EMD (earnest money deposit) RECEIVED/DEPOSITED.

PASS THRU BONUSES ARE TO BE COLLECTED IN ADDITION TO THE LISTING COMMISSION, THEY WILL NOT BE PAID OFF THE TOP.

RENTING COMMISSIONS RECEIVED FROM CO-OPERATING LISTING COMPANIES ARE SPLIT 50/50

12. Contacting the Rental Service Center

12.1 Mailing Address

Long and Foster Real Estate
14501 George Carter Way

3rd Floor- Rental Service Center
Chantilly, VA 20151

12.2 Phone Numbers

Main Number	(703) 877-7750
RSC Director	(703) 877-7713

Please Note: *Each Sales office has been assigned to an RSC team. The RSC Team information for your office should be available near your Office Fax machine or from your Office Assistant. If you cannot locate this information, please call the RSC Operations Manager.*

12.3 Email Address

RSCCUSTOMERSERVICE@LONGANDFOSTER.COM

13. APPENDIX A: Commission Payment Example

NOTE: The Long & Foster Associate will receive a 60% split on either side of a Long and Foster listed transaction (listing or renting) which they work. When there is no agent representing the tenant the Listing Agent will receive the renting side of the transaction

A. Listing Agent is with L& F and no renting agent involved.

Gross Commission payment \$1000

Listing side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

Renting side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

B. Listing Agent and Renting Agent are both with L & F.

Gross Commission payment \$1000

Listing side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

Renting side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

C. Owner/Agent is the Listing agent and no renting agent involved.

Gross Commission payment \$1000

Listing side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

Additional 50/50 Split of L & F Dollar (Agent \$100 L & F \$100)

Renting side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

D. Owner/Agent is the Listing agent and Renting Agent involved is L & F

Gross Commission payment \$1000

Listing side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

Additional 50/50 Split of L & F Dollar (Agent \$100 L & F \$100)

Renting side \$500 60/40 Split with L & F (Agent \$300 L & F \$200)

E. Co-op Companies: 50/50 of amount as specified in MULTIPLE LISTING SYSTEM

Cooperating Brokers on the renting side of the transaction are paid immediately upon deposit of First Month's Rent/EMD (earnest money deposit) and a copy of the ratified lease, if we have a current W-9 that has been verified by the Internal Revenue Website

***If an agent is on Plans for Success they will receive the PFS split up to 80%.**

14. APPENDIX B:

How to Have a Successful Non-Managed Rental Transaction

To complete a successful non-management rental transaction, also known as a one-time rental, Long & Foster sales associates should follow the below steps.

PHASE 1 – Rental Listing and Online Rental Application Activation

1. Enter your rental property listing into the MLS as ACTIVE. Depending on the MLS this is in the online application button will activate with 24 hours (may be longer for smaller MLS Systems).
2. Complete the transmittal sheet (LF1693), which can be found in Xcelerate.
3. Provide your broker with all the necessary listing documents for sign-off.
4. Fax or email all listing documents, including the transmittal form and the below noted items, to the Rental Service Center (RSC).

Documents to provide to RSC include:

- Listing agreement (LF183), which is a four-page document that can be found on Xcelerate
 - Active MLS print out: Please note the listing must be in ACTIVE status to use the Online Rental Application
 - Tax record
 - Any other documentation applicable to the rental listing
5. Give your listing documents to your Branch Administrator to start a listing file.

PHASE 2 – Application Submission and Processing

Paper Application Submission

1. Provide a copy of the five-page Application with Procedure Checklist (LF182) to each adult rental applicant (18 years and older).
2. Complete the Transmittal Sheet Rental Application Processing form (LF1692), which can be found on Xcelerate.
3. Make a copy of the application and processing check(s) for your records and the listing file.
4. Fax or email the completed applications and a copy of the processing fees to the RSC.

5. Complete the Rental Application Check Deposit form (LF568) and mail it, along with processing fees, to the RSC.
6. Submit copies of any other necessary documentation that is applicable to your rental listing to your Branch Administrator, who will add those materials to the listing file.

Online Application Submission

1. Direct potential rental applicants to LongandFoster.com to complete the rental application and pay the processing fee.
 - a. RSC will email you a copy of any completed applications for review and copies of the related credit checks will follow shortly thereafter.
 - b. Please note that if your applicant needs to provide additional supporting documentation on income, he or she will provide that to you as the listing agent.
2. Provide copies of the completed applications to your Branch Administrator to add to the listing file.

PHASE 3 – Lease Submission and Case Sheet Completion

1. If an offer has been screened by the RSC and accepted by the homeowner, go to Comet to approve the offer. This occurs in Phase 2 of the rental processing and you will need to complete seven required fields on the case sheet.
2. Give the first month's rent/earnest money deposit check, as well as the completed Case Sheet Online (CSOL) case sheet, to your Branch Administrator to deposit. Please note that checks marked "Security Deposit" cannot be accepted and should be replaced before depositing.

NOTE: If the owner has waived the screening, please fax or email the lease documents to the RSC, following the instructions below.

1. Scan your lease documents and fax or email them to the RSC team.
2. Await receipt of an email from RSC, indicating you can go to Comet and complete the case sheet. Once you have received that confirmation, go to Comet and approve the offer. This occurs in Phase 2 of the rental processing and you will need to complete seven required fields on the case sheet.

3. Provide copies of all documents to your Branch Administrator to add to the listing file.
4. Give the first month's rent/earnest money deposit check, along with the completed CSOL case sheet, to the Branch Administrator for deposit. Please note that checks marked "Security Deposit" cannot be accepted and should be replaced before depositing.

Co-Op Rental Listings

If you have a co-op rental transaction, please follow the below steps.

1. Complete Co-op Rental Check Transmittal form (LF189), which can be found on Xcelerate.
2. Get your broker's signature on the form.
3. Give transmittal form and deposit check to your Branch Administrator to mail to the RSC.