

Non-Payment of Rent and Collections Policy



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*Member of the National Association of
Property Managers Since 1994*

Non-Payment of Rent and Collections Policy

If your resident has not paid rent by 5:00 PM on the 4th of the month it is considered late. If the 5th falls on the weekend it will be the next business day. On the 5th or next business day of the month your tenant will be sent a “5 Day Notice” letter from our office by certified mail.

Your resident will have until the 10th of the month or 5 days after the notice is sent to pay rent and at that time it must be in certified funds. They must also include all late fees, which are explained at bottom of letter.

If your resident has not paid rent by the 10th or 5 days after the letter was sent, we will start the eviction process. We will fax the information to our Attorney who will then set a court date. The court date will usual be the 3rd or 4th week of the month depending on how many weeks are in that month. A process server will serve your resident court papers. One of two things should happen. Your resident will call our office to make arrangements to pay or they will end up going to court. We will call you, as we are entering your residents into court so you will know.

Please realize that the majority of our residents will pay before court. They will then be responsible for rent, late fees and court costs, payable in a cashiers check or money order.

We will not cancel court until we have received all of the money due. If your resident calls us to make payment arrangements, we will call you the Owner before accepting any money as once money is accepted in our office we must cancel court and start over again the next month. If court happens the Judge will award us (Firebird Housing) with a judgment against the resident. Your resident will then have 5 more days (business days) to pay all that is due. Late fees will stop accruing on the date of court. Your resident is still responsible to pay all rent, court fees and late fees in the form of a cashiers check or money order.

Once we have the judgment we will again call you the Owner and let you know that we have the judgment and what day we can call in the eviction. If your resident still has not come forward to pay and the 5 days are up, we must then call the Attorneys office and call in the eviction. The Attorneys office will file paperwork with that city and we have to wait for a Constable to contact us to set up arrangements for the actual lock out of your resident. Once the full eviction has been done we will do a full inspection of your property, remarket and do any maintenance needed.

Extra notes:

*The accounting office will put a copy of the "5 Day Notice" in your Owners statement if your resident does not pay.

*The accounting office will call you on the 10th or 5 days after the notice is sent, if your resident still has not paid as we will then be entering them into court.

*If your resident contacts our office to make payment arrangements we will call you the Owner for authorization.

*When your resident pays we will process the check that same day and send you, your money and a new statement. (Unless it is on the 28-31st of the month, we will have to wait until the 1st of the month.)

*If we do end up with a court date, once we get the judgment we will call you again and let you know what the eviction date will be. The whole process takes approx. 30 days to complete.

*Once we have a court date, we will send someone from our office to do a drive by to see if your tenants are still there. If they have left the property, we will call you to let you know.

*Please understand that if your resident has left the property and we have a court date we cannot enter the property until the date of eviction if you want the eviction to show on their credit. We will have to wait for the constable to go with us to the property. If the residents have left and you do not care about the actual eviction, we will cancel court and enter the property.

*If we have to do an official lock out and the residents are still there, the Constable will escort them off the property, we will change the locks and they will need to make arrangements with us to get their belongings out of the property.

*We may have anywhere from 20-75 residents on a monthly basis that do not pay rent before the 5th of the month. We do not call your resident, as we have sent the "5 Day Notice" to them. Out of the 20-75 tenants, we will be down to approximately 12 that are actually put into court and then we have approximately 2 to 3 that will actually go to court. Our evictions are approximately 1 or less per month based on a calendar year.

COSTS:

Late fees: \$25.00 on day 5 + \$10.00 a day after

5-day notice fee: \$25.00 paid by the tenant due to Firebird Housing

Serve detainer for court: \$31.00-\$41.00 depending on city (serve court papers)

Cancel court: \$61.00-\$71.00 depending on city (rent paid before court)

Satisfy detainer: \$121.00 (rent paid after court)

Eviction: \$151.00

What Happens When I Am Still Owed Money from My Past Resident?

Collections:

If for some reason, a past resident still owes you money after they move out and their security deposit does not cover the full amount due, the following is a list of items that we do to begin the collection process for you:

1. We must send them legal notice of monies owed to last known address.
2. By law, we have to wait 30 days for a response from your resident.
3. If your past resident does not contact our office, we will then put them into collections.
4. Once we have received a letter back from the collections company with a case number, that information will be passed on to you, the Owner.
5. At that time, you can call the collections company anytime you want to follow up with them on the collections and make arrangements if you want to pursue further action if necessary.
6. We do not follow up with the past debt collections at anytime except to pass on letters to you that they may send to us.
7. Any questions concerning your collections must be directed to the collections company as we are usually not made aware of post collections once you and the collection agency have been connected.
8. With the new laws regarding Credit Safety, we are not allowed to forward any social security numbers or credit to the owner of the property.

Please keep this information in your Owners Packet incase you should need it in the future.

Thank you ~ Firebird Housing