



8011 34th Ave S., Suite 126
Bloomington, MN 55425
Office Phone: 612.728.5770
Office Fax: 612.728.5761
www.homelinemn.org

February 9, 2021

To: Members of the Housing Finance and Policy Committee

From: HOME Line

Subject: House File 399

Please find attached materials related to House File 399:

- A one-page "Lease Fairness" overview of these issues and the proposals.
- A packet of 6 different redacted pages from leases that demonstrate various non-optional fees. All of these came directly from our clients.

Lease Fairness: Fees, Privacy and Infirmary

More than 625,000 Minnesota households are renters, a number that continues to grow every year. Making up 29% of the state's population, it is critical that residents and families have the rights, resources and information they need to live without the fear or threat of exploitation or abuse from some landlords. HOME Line calls for the following policy changes to ensure renter households have the transparency, privacy and flexibility they need to make informed decisions for their financial and physical health and safety.

CURRENT LANDSCAPE

Fees for non-optional services

An increasing number of landlords **charge fees for non-optional services** rather than including costs in the advertised rent for an apartment. Move-in and move-out fees, lease processing fees, are imposed on unsuspecting, prospective tenants. These fees allow landlords to draw in **potential tenants with a deceptive rent amount**, and effectively raise the rent with required fees listed in the lease that are often revealed late in the application process, if at all.


Privacy

While many people assume that the law requires a 24-hour notice, Minnesota law simply states that landlords must give tenants "reasonable notice" to enter their apartments for non-emergency reasons. The term **"reasonable" is very subjective**, and can rob tenants of the privacy in their home that they pay for and deserve, and their ability to make sure their home is prepared and they can be present, if they wish. Current law has a **\$100 penalty that is so inconsequential, it's violated frequently** because it's not considered worth the time and effort to go to court.


Infirmary

Minnesota tenants in the middle of a "term" lease (one-year, most commonly) can only get out of or "break" their lease for a handful of reasons, including if they are victims of certain forms of violence, if they are called up for active military service transfer, if all tenants in a household die, if the building is condemned, or otherwise unlivable, or, rarely, by a judge's order. **Minnesota does not allow a tenant to break a lease due to a medical condition.** The Fair Housing Act does not explicitly give a tenant this right, which is why a growing number of states (eight, thus far) have enacted their own laws protecting some of their most vulnerable citizens. Minnesota should follow putting this statement explicitly in statute.


OUR PROPOSALS



Non-refundable fees for non-optional services **would be prohibited** to ensure tenants do not face unaffordable, concealed charges after signing a lease. Administrative costs must be **incorporated in the tenant's rent** so they understand how much they will pay each month before they enter into a lease.



Unless it is an emergency: 1) a tenant would have a minimum of **24-hours' notice from the landlord** prior to entering the tenant's home, and 2) the landlord would only be able to **enter between 8 a.m. and 8 p.m.** and give a **four-hour window**. If this right is violated, tenants would be able to sue during or after a tenancy for a **meaningful penalty**.



Renters who have a physician-certified medical condition, illness, or disability that hinders their ability to remain in their current housing situation would be able to **end their lease with a 2-month notice** if they must move to a medically-assisted or accessible housing unit. This is a reasonable notice period that mirrors current law for an estate to end a lease after a tenant is deceased. The tenant would need to **have documentation** that they will be moving to a specific, medically-appropriate facility.

Residential Lease Agreement (continued)

LEASE TERMS

1. **Rent Payment:** Tenant will pay Landlord the full monthly rent before midnight on the first day of each month while this lease is in effect at any time during an extension or renewal of this lease. All payments made to office must be in the form of money order, cashiers check or thru the Online Portal, sorry no personal checks or cash. Checking account, credit cards, debit cards may be used as online payments only. We may report rental payment data to credit agencies.
2. **Responsibility for Rent:** Each Tenant is responsible for all money due to Landlord under this lease, not just a proportionate share.
3. **Duty to Pay Rent after Eviction:** If Tenant is evicted because Tenant violated a term of this lease, Tenant must still pay the full monthly rent until: 1) the Unit is re-rented; 2) the lease end date; or 3) if the tenancy is month-to-month, the Tenant is responsible until the next valid notice period ends. If the premises is re-rented for less than the rent due under this lease, Tenant will be responsible for the difference until the DATE THIS LEASE ENDS or if the Lease is month-to-month, until the end of the valid notice period.
4. **Late Rent and Returned Check Fee:** Tenant will pay the late rent fee listed above (8% of gross monthly rent) if Tenant does not pay the full monthly rent by the end of business on 5th day of the month. Rent is paid when Landlord receives it, not when mailed or sent by Tenant. Tenant must pay a fee of \$30.00 for each returned check, incomplete or ejected electronic funds transfer.
5. **Security Deposit:** Within 21 days after the tenancy ends and Tenant gives Landlord a forwarding address, Landlord shall return the full security deposit with interest or send a letter explaining what was withheld and why. Landlord may use the security deposit:
 - a. To cover Tenant's failure to pay rent or other money due to Landlord; or
 - b. To return the premises to its condition at the start of the tenancy, except for ordinary wear and tear.
- 6. **Annual Fee:** Tenant agrees to a \$100 administrative fee that will be charged to Tenant's account on January 1 of each year, regardless of the lease start date. Initial(s) _____
7. **Occupancy and Use:** Any persons, 18 and over that will be residing in the unit for longer than 3 consecutive days is considered a tenant and must apply. Only the persons listed above as Tenants may live in the premises. Minors and guests not listed as Tenants may reside in the unit only with prior written consent of Landlord. Any guest to the premises that stays in the unit more than three (3) consecutive days is considered an occupant and must register with the office. Tenants may use the premises and utilities for normal residential purposes only.
8. **Appliances:** Tenants agree to clean, use as intended, not remove or replace any appliances in the unit (may include but not limited to refrigerator, stove/oven, washer/dryer, dishwasher, microwave, furnace, air conditioner and water softener) and accept responsibility for the cost of any repair due to tenant misuse, neglect or abuse.
9. **Subletting:** Tenant may not lease the premises to other persons (sublet), assign this Lease or sell this Lease without prior written consent of Landlord.
10. **Waterbeds:** Tenant may not keep a waterbed or other water filled furniture in the premises without the prior written consent of Landlord.
11. **Pets:** Tenant may not keep animals or pets of any kind in, on or around the premises without the prior written consent of Landlord.
12. **Tenant Promises:**
 - a. To maintain the unit in a clean, safe, and sanitary manner;
 - b. Not to damage or misuse the premises or allow his/her guests to do so;
 - c. Not to paint or wallpaper the premises, or make any structural changes in the premises without prior written consent of Landlord; and to replace all batteries in smoke detectors, filters in air conditioners forced air furnaces, light bulbs and any water filters;
 - d. To give written notice to Landlord of any necessary repairs to be made & restrict all communication with the Authorized Manager of Premises only;
 - e. Not to act in a loud, boisterous, unruly or thoughtless manner or disturb the rights to peace and quiet of the other tenants or residents, or allow his/her guests to do so;
 - f. To use the premises only as a private residence and not in any way that is illegal or dangerous or which would cause a cancellation, restriction or increase in premium to Landlord's or Owner's insurance;
 - g. Not to use or store on or near the premises any flammable or explosive substance;
 - h. Not to interfere in the Landlord's or Owner's right to do business or in the operation of the building;
 - i. To keep and maintain all agreed utilities current and in the Tenant's name;
 - j. Not to remove or alter any fixtures or furnishings provided by Landlord or Owner;
 - k. Tenant agrees to cooperate and not interfere with Landlord's efforts at pest control. This may include, among other things, emptying and cleaning cabinets, drawers and closets, pulling furniture away from walls, and allowing an exterminator to enter and treat the unit. Any issues with pests caused by the Tenant due to the condition of the unit or failure to cooperate with remedy may be charged to the Tenant;
 - l. Tenant promises to notify Landlord immediately of any conditions in the premises that are dangerous to human health or safety or which may damage the unit;
 - m. Tenant promises not to waste any utilities provided by Landlord;
 - n. Tenant agrees that upon vacating the premises it will be in good condition, except for ordinary wear and tear, and to hire a professional carpet cleaner by the end of tenancy & the move-out must be completed and the keys professional carpet cleaner by the

Initials _____

Lease Summary

LEASE DETAILS			
1. Primary Contact:	[REDACTED]		
2. Property Address:	[REDACTED]	Minneapolis	MN [REDACTED]
3. Lease Start Date:	[REDACTED]		
4. Lease End Date:	[REDACTED]		
5. Rent Payable to Property Owner:	[REDACTED]		

CHARGES, FEES & DEPOSITS DUE	
DUE AT OR BEFORE LEASE SIGNING; MUST PAY IN CERTIFIED FUNDS	
6. Security Deposit Payable to Property Owner:	\$ [REDACTED]
DUE 5 DAYS PRIOR TO MOVE-IN; MUST PAY IN CERTIFIED FUNDS & SEPARATE CHECKS	
7. Pro-Rated Rent: (# Days [REDACTED] x Daily Rent [REDACTED])	\$ [REDACTED]
8. First Full Month's Rent Plus the Prorated Rent (if moving in on or after the 21 st)	\$ [REDACTED]
9. Nonrefundable Pet Fee(s) (total # of Pets 0 x \$300):	\$ \$0.00
10. Nonrefundable Administrative Fee (make payable to [REDACTED])	\$100.00
PROMOTIONAL DISCOUNTS	
11. Applied Towards Second (2 nd) Full Month's Rent	\$ N/A

MONTHLY RENT	
RENT IS DUE ON THE 1 ST DAY OF THE MONTH & LATE AFTER THE 5 th DAY OF THE MONTH	
12. Rent (months 1-12):	\$ \$ [REDACTED]
13. Rent (months 13 through end of lease term):	\$ \$0.00
FEES	
14. Late Fee:	5% of rent
15. NSF Fee:	\$30.00
16. Eviction Administrative Fee:	\$100.00
17. Delinquency Notice Fee:	\$50.00

RENT PAYMENT METHODS		
Online through Resident Web Portal	▪ ACH	▪ Debit or Credit Card*
Through Mail - Check Payable to Owner (See box 5) [REDACTED]	▪ Cashier's check	▪ Money order
	▪ Personal Check	▪ Bill Pay Check
Rent Money Voucher	▪ Cash at participating retailers*	
	▪ We do NOT accept cash at our offices	

*Subject to merchant fees.

ACKNOWLEDGEMENTS

Resident specifically acknowledges that Resident has read and agrees to all the following lease provisions, rules and regulations, notices, and addenda.

1. Landlord Rules and Regulations
2. Insurance Addendum
3. OFAC Addendum
4. Bed Bug Policy
5. Security Deposit Addendum
6. Pet Addendum (if applicable)

This Lease Summary is part of the following Residential Lease Agreement and is fully incorporated by reference into said Agreement.



Landlord/Agent Initials

replacing dead or missing smoke-detector batteries; utilities for repairs or cleaning; trips to let in company representatives to remove your telephone or TV cable services or rental items (if you so request or have moved out); trips to open the apartment when you or any guest or occupant is missing a key; unreturned keys; missing or burned-out light bulbs; removing or rekeying unauthorized access control devices or alarm systems; agreed reletting charges; packing, removing, or storing property removed or stored under paragraph 13 (Property Left in Apartment); removing illegally parked vehicles; special trips for trash removal caused by parked vehicles blocking dumpsters; false security-alarm charges unless due to our negligence; animal-related charges under paragraphs 6 (Rent and Charges) and 27 (Animals); government fees or fines against us for violation (by you, your occupants, or guests) of local ordinances relating to smoke detectors, false alarms, recycling, or other matters; late-payment and returned-check charges; a charge (not to exceed \$100) for owner/manager's time and inconvenience in our lawful removal of an animal or in any valid eviction proceeding against you, plus attorney's fees, court costs, and filing fees actually paid; and other sums due under this Lease Contract.

You'll be liable to us for: (1) charges for replacing all keys and access devices referenced in paragraph 5 (Keys and Furniture) if you fail to return them on or before your actual move-out date; (2) accelerated rent if you have violated paragraph 33 (Default by Resident); and (3) a reletting fee if you have violated paragraph 11 (Early Move-Out).

48. DEPOSIT RETURN, SURRENDER, AND ABANDONMENT.

Deposit Return and Forwarding Address. You are required to provide us written notice of your forwarding address, on or before termination of this Lease Contract. We'll mail you, to the forwarding address you

Severability, Originals and Attachments, and Signatures

49. **SEVERABILITY.** If any provision of this Lease Contract is invalid or unenforceable under applicable law, such provision shall be ineffective to the extent of such invalidity or unenforceability only without invalidating or otherwise affecting the remainder of this Lease Contract. The court shall interpret the lease and provisions herein in a manner such as to uphold the valid portions of this Lease Contract while preserving the intent of the parties.

50. **ORIGINALS AND ATTACHMENTS.** This Lease Contract has been executed in multiple originals, with original signatures. We will provide you with a copy of the Lease Contract. Your copy of the Lease Contract may be in paper format, in an electronic format at your request, or sent via e-mail if we have communicated by e-mail about this Lease. Our rules and community policies, if any, will be attached to the Lease Contract and provided to you at signing. When an Inventory and Condition form is completed, you should retain a copy, and we should retain a copy. Any addenda or amendments you sign as a part of executing this Lease Contract are binding and hereby incorporated into and made part of the Lease Contract between you and us. This lease is the entire agreement between you and us. You acknowledge that you are NOT relying on any oral representations.

Date form is filled out (same as on top of page 1)

[REDACTED] 2019

You are legally bound by this document.
Read it carefully before signing.

provide, your security deposit refund (less lawful deductions) and an itemized accounting of any deductions no later than 30 days after surrender or abandonment, unless statutes provide otherwise.

Surrender. You have surrendered the apartment when: (1) the move-out date has passed and no one is living in the apartment in our reasonable judgment; or (2) all apartment keys and access devices listed in paragraph 5 (Keys and Furniture) have been turned in where rent is paid—whichever date occurs first.

Abandonment. You have abandoned the apartment when all of the following have occurred: (1) everyone appears to have moved out in our reasonable judgment; (2) clothes, furniture, and personal belongings have been substantially removed in our reasonable judgment; (3) you've been in default for non-payment of rent for 5 consecutive days, or water, gas, or electric service for the apartment not connected in our name has been terminated; and (4) you've not responded for 2 days to our notice left on the inside of the main entry door, stating that we consider the apartment abandoned. An apartment is also "abandoned" 10 days after the death of a sole resident.

Surrender, abandonment, and judicial eviction ends your right of possession for all purposes and gives us the immediate right to: clean up, make repairs in, and relet the apartment; determine any security deposit deductions; and remove property left in the apartment. Surrender, abandonment, and judicial eviction affect your rights to property left in the apartment (paragraph 13 - Property Left in the Apartment).

Resident or Residents (all sign below)

Owner or Owner's Representative (signing on behalf of owner)

Address and phone number of owner's representative for notice purposes

[REDACTED]
[REDACTED]
[REDACTED]

Name and address of locator service (if applicable)

SPECIAL PROVISIONS (CONTINUED FROM PAGE 2). No cks accepted after 3rd. No cks accepted after 2 NSF's. No partial pymts. Rent & UBI must be paid in full. Tenants are responsible if they fail to comply with this obligation. Cash or money orders will not be accepted as a form of payment. Checks must be made out to the Property. No Exceptions. It is the Tenant's responsibility to retain receipt/copies of any payment to the Property. You will be charged a Global Amenity Fee of \$15 per month. By signing this lease, you agree to opt into email communication with the property. Notice to vacate must be two full calendar months. Notice must end at the last day of the month. No move outs can be scheduled in December. The property is smoke-free. Any resident caught smoking on premises is subject to \$200 fee and/or lease termination. Lease ends at noon on the last day of the month. For every hour after 12pm that keys are not returned, there will be a \$75 fee until keys are returned.

(Note: if method "10" is selected, a separate sheet will be attached describing the formula used)

- If a flat fee method for trash or other utility service is used, Resident and Owner agree that the charges indicated in this Agreement (as may be amended with written notice as specified above) represent a fair and reasonable amount for the service(s) provided and that the amount billed is not based on a monthly per unit cost.

- | | | |
|-------------------------------------|----------|---------------------------|
| New Account Fee: | \$ 25.00 | (not to exceed \$ 35.00) |
| Monthly Administrative Billing Fee: | \$ 4.00 | (not to exceed \$ 6.00) |
| Late Fee: | \$ 10.00 | (not to exceed \$ 15.00) |
| Final Bill Fee: | \$ | (not to exceed \$) |

4. You will be charged for the full period of time that you were living in, occupying, or responsible for payment of rent or utility charges on the apartment. If you breach the Lease, you will be responsible for utility charges for the time period you were obliged to pay the charges under the Lease, subject to our mitigation of damages. In the event you fail to timely establish utility services, we may charge you for any utility service billed to us for your apartment and may charge a reasonable administration fee for billing for the utility service in the amount of \$ 75.00.

- [REDACTED]

[illegible]

LEASE HIGHLIGHT SUMMARY

This page acts as a summary for Rents, Fees, Contact info, tenant responsibilities, etc and highlights the most common issues addressed during tenant residency. Any additional terms are described in detail in MN Lease Agreement, and ATTACHED addendums. Any and all terms listed in this highlight document **SUPERSEDES** any terms in lease agreement. **This summary page also acts as substitution for the Minnesota State Lease document deleted lines numbers 1 -77 summary page and move-in/move-out agreement executed upon completion of document. Fees currently listed on this page are subject to change, to review the updated fees please log on to**

Property Owner: [REDACTED]

Property Payment Service Provider: [REDACTED]

ALL PAYMENTS FOR RENT MUST BE TO: [REDACTED]

Property Address: [REDACTED] Keys Provided: [REDACTED]

Tenant#1: [REDACTED] Contact info:(Mobile# [REDACTED]), Vehicle/License#: , , Children(s) Names: None

Tenant#2: , Contact info:(Mobile# , Email:), Vehicle/License#:, Children(s) Names:

Tenant#3: , Contact info:(Mobile# , Email:), Vehicle/License#: , Children(s) Names:

Tenant#4: , Contact info:(Mobile# , Email:), Vehicle/License#: , Children(s) Names:

Tenant#5: , Contact info:(Mobile# , Email:), Vehicle/License#: , Children(s) Names:

Pets (Type/Name/Breed): N/A

This is a **NON Smoking Unit** - Penalty Fee:1 month rent + repair cost of smoke damages. **Smoke Detector Tampering Penalty:** \$250 + city reinspection charges

TOTAL Monthly Rent with Electronic Payment: [REDACTED] including \$100.00 credit for Lawn and Snow care + Misc charges (Pet fees, Utilities, Appliances, etc).

TOTAL Monthly Rent without lawn and snow removal care credit: [REDACTED]

Total Monthly Rent without Electronic Payment: Rent + \$20 **Annual Lease Servicing Administrative fee: \$165.00** **Annual Rent Increase: 2.0%**

Lease Start Date: [REDACTED] **Lease End Date:** [REDACTED] (see move out restriction dates) **Move in Date:** [REDACTED]

Deposit: \$0.00 + **Pet Deposit:** \$0.00 **Monthly Pet Fee:** \$0.00 (See Pet Addendum)

Garage for Tenant use: No **Off Street Parking:** Yes **Appliances Provided:** Refrigerator, Stove

Washer and Dryer- None **Monthly Fee:** \$0.00 (Washer and dryer that exist on property- unless specifically referenced in lease, machines are as is and will not be serviced or replaced)

Rent Due Day: 1st of Month **Late Fee:** 8% Gross Rent Due **Physical Check Payment (Non Electronic) Processing Fee :** \$20 **CC Payment Fee:** 3% **Tenant Portal ACH Direct Pay:** \$1.95 **Paypal Payment:** Pass Thru to tenant.

Monthly Tenant Trash Fee: \$0.00 (Subject to change depending on city, county, and trash service providers current market rate)

Tenant must receive prior approval for home **ALARM SYSTEMS**, and provide Maximize Property Management with the entry code. Failure to do so will result in a \$500 fee, and removal of alarm system.

Utilities Included in Tenants Rent:None If tenant is responsible for water/trash bill payment and accrues a late payment balance due is in excess of \$200, owner reserves the right to pay balance and add payment to tenant ledger + administrative service fee. Upon move in tenant is responsible for switching utilities over to the listed tenants names and address with in 3 business days. Failure to switch utilities does not exempt tenant responsibility to pay utilities owed on monthly basis including utility late fee charges.

Important Numbers: Excel Energy 1-800-895-4999, CenterPoint Energy: 612-372-4727, Minnesota Energy Resources: 651-322-3605
Water: City of St Paul: 651-266-6350, Water/Trash- Minneapolis (612) 673-1114

2019

Resident(s) of

RE: LEASE EXTENSION AGREEMENT

Dear Resident(s),

Hope all is well. On behalf of [REDACTED], I would like to thank you for your business this year. Upon reviewing our files, it appears your lease is up for renewal. With the cost of living going up every year such as property taxes, building insurance, building maintenance, management needs to adjust your rent to keep up with these expenses. On [REDACTED] your rent will be [REDACTED] per month. Please note all other conditions and terms of the lease will remain the same.

YOUR NEW LEASE EXTENSION TERM (CHECK THE BOX BELOW)

☐ 12 Month lease starting [REDACTED] [REDACTED] [REDACTED] (\$775.00) + Trash utility (\$10.00) + (\$25.00) monthly trash valet. (Attached is a lease addendum and explaining the trash valet service) Any other fees that are associated with your account will stay in place as well.

☐ This shall serve as my 3 month notice and I will vacate my unit on [REDACTED].

Please indicate your acceptance of the lease extension for the above period by signing below.

Resident(s) Signature: _____

Current E-mail: _____

Phone (work/home): _____

Please check, sign & return to:

[REDACTED]
[REDACTED]
[REDACTED]

IF YOU ARE NOT PLANNING TO RENEW YOUR LEASE, YOU MUST GIVE A THREE FULL CALENDAR MONTHS WRITTEN NOTICE AS PER THE TERMS OF YOUR LEASE AGREEMENT OR YOUR LEASE AGREEMENT WILL AUTOMATICALLY RENEW.

Thank you for your past residency. I look forward to having you as a resident at our property again! As always, if you have any questions feel free to contact me at [REDACTED]

Sincerely,

[REDACTED]

[REDACTED]