



Apartment Owners Association of California Inc.

Property Owners – Never See Another Paper Check Again – By Arsen Samvelian

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“Tenants are using new technology to pay their rent more than ever before”

When it comes to the payment the rent, tenants now have several options to pay their rent. Whether they choose to pay with cash, electronically, or by paper check, the most important thing is that they pay you on time.

Today, technology is becoming an intricate part of our lives; from computers to phones, our cars and even the way we do business, everything is becoming digital. As a result, we are moving more to a cashless society and the rental industry is no exception. Tenants are using new technology to pay their rent more than ever before and property owners too are moving towards having their rents or lease payments electronically deposited into their accounts.

Effective January 1, 2013, Civil Code Section 1947.3 was amended, and requires that the

Landlord give tenant's additional alternative forms of payment other than paper checks, cash or electronic transfer most property owner's state in their contracts with their tenants. As property owners are looking for ways to cut down their cost and bounced checks, so are tenants looking for more convenient ways to pay their rent fast and on time.

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Even with these rapid changes in the rental industry, some property owners are still stuck with the traditional way of collecting rent using the paper check, even though using a paper check comes full of many drawbacks. Should you, the landlord lose or misplace the check, your bank will charge the tenant a fee to cancel that check, not to mention that you will also have to have the tenant write you a new check. On the same note, if you delay in depositing your checks from your tenant, they may have used those funds in the account to cover other bills during that time resulting in your check being returned for none sufficient funds.

There are now a few new companies that have began to offer automatic check or ACH payments online to cater to the technologically advanced tenant. Some of the better businesses even add options of payment such as credit card, telephone, mobile application, automatic, and even split-pay payments for roommates sharing one unit.

In addition from the multiple forms of payment that tenants can use when paying their rent, electronic rent payments are packed with benefits like building a rental history, the convenience, and the cost savings. Giving your tenants options to pay online, mobile or over the phone makes it easy on the

collection process, data entry and that trip to the bank spending hours to make deposits with the teller. The few that are registered with the credit bureaus even give an option to your tenants to report their rent agreement payments onto their personal credit report which offers a great selling tool when it comes time to fill in those vacant units.

These “Online Rent Payment” companies offer such low competitive rates that both residential landlords and commercial property owners are leaving their old style management companies and offering their tenants a new age of payment acceptance for a much lower fee, under 1%, that’s less than a quarter of the price. Property management companies too are starting to use the “Online Rent Payment” services in order to eliminate the rent collection and deposit process.

Things to look for in a good online rent payment processing company:

For Tenants

- Offers Online & Mobile Payments.
- Offers Pay-by-Phone and Auto Pay Options.
- Offers Credit Card Payments.
- Offers Credit Bureau Rent Reporting.
- See Full Rental History
- Receive Emailed and Texted Memos and Payment Alerts
- Offers OptionSplitRent With Roommates
- Offers UseMobileApp Account

For Landlords and Property Management Companies

- Allows User to Manage Multiple Accounts.
- Accommodates Commercial and Residential Properties
- Allows Maintenance of Unlimited Properties
- Receive Automatic Payment Alerts when payments post to your account
- Send Out Building Wide Memos electronically
- Designated Multiple Bank Accounts
- Govern All Property Bookkeeping independently and together
- Full Tenant Management System
- Auto-Blocks Late Payments
- OffersMobileRemote Management
- Offers a Tenant-Paid Fee Option

As a property owner myself, this is a great change for me. With property management companies charging from 4%-6%, this is a great option for landlords like myself. On the other hand, my best buddy owns a property management company and he too is now using this system to collect the rent for his properties. In his words, "It cuts down his on-site managerial costs and the bank trips." He also chose the Tenant-Paid option through his online rent payment processing company so he is even saving money while doing less work.

"The times are a changing..." and chances are you have to adapt in order to stay competitive. Why not go with a company that can help lighten the load of the overwhelming work that you already have. Don't waste this golden opportunity, get yourself and your business up-to-date and start using the new technology that the online and mobile rent payment processing companies can provide.

Arsen Samvelian is the president of MyLessee.com and an entrepreneur in his own right. He sits on 4 chairs and a half a dozen boards. He has a BA in business management and also is a Master Certified Specialist Proficient in Compliance Requirements of the Fair Credit Reporting Act. For more information please visit mylessee.com or email arsen@mylessee.com or you can always call toll free at (800) 201-9107.

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