

How are you managing?

Frequently asked questions about property management and leasing.

Whether you're dealing with a single-family rental or a complex of multi-unit buildings, you have to follow the Texas Property Code. Here are some common questions about security deposits, trust accounts, rental applications, and lease termination.



1. True or false? A security deposit can be held in a property manager's business account for up to three business days before it's considered commingling of funds.
2. If a property manager holds a salesperson's license, whose name should be on the trust account for the properties she manages?
 - a. the salesperson's name and her broker's name
 - b. the broker's name
 - c. the salesperson's name
3. True or false? The maximum amount a landlord can demand as a security deposit is two months' rent.
4. True or false? A tenant does not automatically forfeit the security deposit if he breaches his lease.
5. True or false? A landlord must have a reason for not renewing a lease.
6. True or false? An application deposit is given to a landlord in connection with a rental application and is refunded to the applicant if his application is rejected.
7. True or false? An applicant is considered rejected if the landlord doesn't give notice of accepting the applicant seven days after the applicant submits a completed rental application.
8. Which of the following information should a landlord make available in writing to someone who gets a rental application?
 - a. assessed value of leased property
 - b. previous utility bills
 - c. tenant-selection criteria
 - d. reasons why an application may be denied
9. True or false? A landlord is required to re-key the locks of his leased property no later than the seventh day after each tenant turnover date.
10. True or false? A tenant may terminate a residential lease if the required security devices are not installed.

ANSWERS

1. False. Security deposits must be held only in a trust account.
2. b. Although a broker can authorize other people to sign checks, the account must be in the broker's name.
3. False. The Texas Property Code doesn't dictate a maximum amount. The security deposit is negotiable between the landlord and tenant.
4. True. Although the Texas Property Code permits a landlord to deduct damages and charges resulting from breaching the lease, there isn't an automatic forfeiture.
5. False. However, a landlord may not refuse to renew a lease in retaliation or for reasons grounded in discrimination.
6. True.
7. True.
8. c and d. Some examples of reasons why an application may be denied: criminal history, rental history, income, credit history, and failure to provide accurate or complete information on application.
9. True.
10. True. After giving the required written notice to the landlord, a tenant may terminate a lease for lack of such things as window latches, door locks, and deadbolts. See Section 92.153 of the Texas Property Code for the full list.