

## **Engaging Current Residents in the Credhub Program Training Notes and Final Document**

**The goal is to get as many current residents onboard TODAY so your cash flow starts growing. Remember: you don't start paying Credhub until the resident is paying you and you don't start making money until the resident starts paying you.** Your residents will engage with this either at new lease signings, the renewal date or now if you can motivate them to initial the document and start paying their monthly fee. You can do this as an important announcement to all residents or simply as a notice. You might attach this copy to a digital document which they can initial electronically. This also might be the cover letter to the Credhub document for them to execute or a resident sign up acknowledgement document.

Some managers have initiated a "Resident Rewards Program" where they accumulate several benefits for the residents and include this as an extension of that program. If you think about it a little, you can come up with a pretty good list of **THINGS YOU CAN OFFER RESIDENTS AND CHARGE A FEE FOR**. If you need help with this idea, just let us know.

Introducing this new benefit should be celebrated as one more reason to rent from you. What landlord can they rent from who can help them build their credit score? For a while, the answer is **NONE** so **keep this idea to yourself** as long as you can and enjoy the competitive advantage you'll have in your market until everyone embraces this program.

I've included training comments throughout this document so **DELETE THEM AS YOU TWEAK THIS DOCUMENT**.

**Now delete these notes and the divider line below, tweak your letter and start sending it to your current residents.**

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## New Service For Our Residents

Subject: Building your credit and helping you become a homeowner

**OR**

Subject: Time to celebrate another accomplishment for Crown residents

**OR**

Subject: Credit restoration for Crown residents

Dear \_\_\_\_\_:

\_\_\_\_\_ **(Short company name like “Crown,” or “Taylor Management” NOT Taylor Realty and Management Corporation ... this is a LETTER not a legal document so use your short name)** has recently established a relationship with TransUnion and Equifax credit bureaus that will begin growing your credit score through monthly reporting of your faithful rent payments. Through this new relationship we will report rent paid by \_\_\_ **(like the 20th, 25th, 28th ... what date will you be reporting to the bureau ... probably the last week of the month)** as PAID AS AGREED to the bureaus resulting in an increase in your credit score. This new credit restoration program will help prepare you for the next phase of your life when you will need to qualify for a loan to buy a home or a car. This reporting often results in a 40 to 60 point increase in your credit score over a six-month period and will reduce your future costs of borrowing.

In the past only large financial institutions (like credit cards and mortgage companies) could offer this kind of special benefit but TODAY IT CAN BE YOURS. The cost for this service is \$\_\_\_\_\_ a month for each adult on the lease (or a total of \$\_\_\_\_\_/mo) and **will start either NOW** (if you initial the attached notification and return it today) **or at lease renewal when participation will be mandatory.** OUR MEMBERSHIP WITH THE

BUREAUS REQUIRES THAT ALL RESIDENTS PARTICIPATE **but you can wait until your renewal date to engage if you prefer.** The sooner you start, the sooner your credit score will begin to increase. .

**Optional Language: This program also includes an identity theft protection plan, underwritten by Allstate that will go into effect upon your enrollment in the program.**

**Note:** These special benefits DO NOT change the late fee and eviction process we have in place today. If you pay rent after the \_\_\_\_\_, there is a late fee due as the lease stipulates.

**To start building your credit score now** simply initial the document attached and submit or print, execute and scan it to \_\_\_\_\_. If you have any questions feel free to contact \_\_\_\_ at \_\_\_\_\_ for more information. We look forward to serving you as a valued resident.

**Optional language: As an additional reward, if you buy your next home through (Short company name like “Crown,” or “Taylor Management” NOT Taylor Realty and Management Corporation) we will refund ALL the payments you made into this program as our way of saying THANK YOU FOR RENTING FROM US.**

At Your Service,

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### **Training Notes**

1. I would NOT address negative reporting for unpaid charges as it may taint their response. The point is implicit in the letter and isn't necessary to say. Also, you don't want this to come across as a threat like "If you don't pay as agreed we'll ding your credit." Keep it positive.

2. We recommend you send this every couple of months to current residents who haven't responded as you attempt to increase participation in the program before their renewal date. Start focusing on those residents whose lease is renewing soon as you want to prepare them for the mandatory enrollment at renewal time. The more notice you give them, the less they fuss and people like to be notified well in advance of any changes they will experience at renewal.
3. Start keeping a list of WHO ISN'T RESPONDING so you can begin a phone call program to promote participation. Engage the staff to keep this list shrinking until all are participating. Have a party when you have 100% participation. Maybe EVERYONE GETS A BONUS when you reach this goal or you cater lunch.
4. In the first paragraph we suggested you state the date you're going to report to the bureaus because they may think if they don't pay rent by the 3rd they're going to be reported as paying late and might resist participation until they are forced to at the anniversary date. Somehow you need to make it clear that YOU DON'T REPORT UNPAID RENT UNTIL THE \_\_\_\_ (*last week of the month, or the 20th?, 25th?*) OF THE MONTH. Even the mortgage companies have a late fee after the 15th and don't report unpaid amounts until the 10th of the following month. Late fees still apply and you'll likely still file evictions on the 10th but that isn't the issue. They need to know you'll report them PAID AS AGREED if they pay their rent by a certain day of the month.
5. **Now, here's a way to trick the system and get all your current residents enrolled today.** Tell them in this letter that THE FIRST THREE MONTHS COSTS WILL BE WAIVED IF THEY **ENROLL TODAY** INSTEAD OF WAITING UNTIL RENEWAL. Remember, YOU CAN PAY CREDHUB THE \$4 a month to entice them to enroll now. If you DO THE MATH you'll break even financially two months after they start paying.

6. Use a DocUSign model or some other digital signature system if you have it.

**Now delete these notes and you'll have your document.**