

CHANGE OF TENANT FORM

A \$150 Processing Fee Required

Understanding the COT (Change of Tenant) Process

When a new tenant replaces a tenant listed on an existing lease they become legally responsible for the terms of the lease along with the current tenants. Via the COT process You are replacing an outgoing tenant on the *existing* lease, a new lease will not be created. You are assuming the financial obligation to the lease and current condition of the property. This is a continuation of the existing lease term with a change in tenants obligated to the lease. No move out inspection will be conducted and no turn over work will be issued until the expiration of the lease.

Please be aware that the security deposit check will be made out to the "Primary Tenant." If you have a question concerning who is the "Primary Tenant" please contact the office.

What the Current Tenant Must Do:

1. Make sure that you have a copy of the "Move-In Inspection Form" that you and/or your roommates completed within 10 days of taking possession of the unit. This form lists any *existing* damage to the property at the beginning of the lease. This will help you and the new tenant determine a fair transfer of the security deposit.
2. Ensure you have a copy of the Residential Rental Contract to provide to the tenant replacing you.
3. Notify the new tenant that he/she **MUST** submit an application to our office in order to move into the rental property. There are no exceptions, and you can't do this for him/her. The new tenant must apply and must be approved before moving into the rental property.
4. The new tenant and all current tenant(s) must sign on page 2 of this form. **The new tenant is to pay their portion of the security deposit directly to you.** This is the only way to get your security deposit back. **You will not receive a security deposit refund from our office.**
5. Submit the completed and signed form to our office and pay a \$150 processing fee to Louise Beck Properties, Inc. No paperwork will be processed until this fee is paid. No cash accepted.
6. **If the utilities are in your name, arrange with the new tenant (or with someone else living in the house) to have the utilities changed into their name ensuring that no lapse in utility service occurs and/or that utility service does not roll in LBP's name for any period of time. Please recognize that failure to do so will result in an administrative fee charged to the new tenant.**

What the New Tenant Must Do:

1. You **MUST** submit a rental application for the property. You must also pay the \$50 application fee.
2. If you are a student you must provide financial documentation to support your ability to pay rent (i.e. a "Letter of Endorsement" form (LOE) completed by your parent/guardian or scholarship award letter, or financial aid/student loan information). The LOE form is available at our office and online at www.louisebeckproperties.com.
3. You and all current tenant(s) must sign on page 2 of this form.
4. Make sure you receive a copy of the existing "Move-In Inspection" form for the property from the current tenant(s). This form was filled out by the current tenant(s) when they moved in, and it listed any damage to the unit noted at that time. This will help you and the tenant you are replacing to determine a fair transfer of the security deposit. You are to pay your portion of the security deposit directly to the tenant you are replacing. When you move out the security deposit will be returned to the "Primary Tenant". There are no exceptions to this policy.
5. Ensure the \$150 processing fee and \$50 application fee have been paid and all forms submitted to our office.
6. Once LBP has approved your application you should review the lease and understand your responsibilities as a tenant, and your rights and obligations under your lease.
7. **You must arrange with the tenant you are replacing (or with someone else living in the house) to have the utilities changed into your name ensuring that no lapse in utility service occurs. A lapse in utility service will result in a \$100 administrative charge to your account.**

Understanding Security Deposit Transfers

When the current tenant(s) moved into the rental property, they paid a security deposit directly to Louise Beck Properties. That security deposit is for the *entire* property, not specific bedrooms within the property. Therefore, it is our responsibility to hold one complete deposit for one whole property. The NC Real Estate Commission requires this of us.

When a tenant is replaced on an existing lease before the lease period expires, the new tenant pays a security deposit directly to the tenant they are replacing, allowing us to keep the original security deposit intact. When the lease period is up and *all* tenants move out of the unit, the tenants on the lease at that time will be due a refund of the security deposit and/or final accounting which will be returned to the "Primary Tenant".

Because the new tenant pays a security deposit to the tenant being replaced, the new tenant must make absolutely certain that their payment to the outgoing tenant reconciles for any existing damage. Remember, the new tenant will now be responsible to pay for damages that may have been caused during the current lease term. Signing the Change of Tenant form makes you responsible for the terms of the

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lease. Ask questions if you're in doubt about any part of this process!

Departing Tenant(s): _____
Printed Name(s) of Departing Tenants

Departing Tenant(s): My signature on this form indicates that I have read this and understand my responsibilities. I understand that I will not receive a security deposit refund from LBP and that the security deposit I paid will be refunded to the tenants named on the lease at the expiration of the lease. I also acknowledge that I have been given the opportunity to ask questions and to discuss this process with a Louise Beck Properties staff member.

Departing Tenant(s) Signature and Date

COT Effective Date (must match below)

Departing Tenant(s) Signature and Date

Property Address

Departing Tenant(s) Signature and Date

Departing Tenant(s) Signature and Date

New / Remaining Tenant(s): My signature on this form indicates that I have read and understand my responsibilities as described herein. I/(We) have read the Residential Rental Contract in effect and agree to the terms and conditions contained therein. I/(We) also acknowledge that I have been given the opportunity to ask questions and to discuss this process with a Louise Beck Properties staff member.

New / Current Tenant(s) Signature and Date

COT Effective Date (must match above)

New / Current Tenant(s) Signature and Date

Property Address

New / Current Tenant(s) Signature and Date

New / Current Tenant(s) Signature and Date

Received By: _____
Louise Beck Properties, Inc.

Date: _____