

## MODEL AGREEMENT

### Get Key Protections in Credit Card Authorization Agreement

Here's a Model Agreement that you can adapt and use to protect your cash flow if you decide to let residents pay rent by credit card. Show this agreement to your attorney before using it at your site.

#### CREDIT CARD AUTHORIZATION AGREEMENT

- 1. Authorization to charge rent.** Resident hereby unconditionally authorizes Owner to automatically charge the credit card listed below ("Credit Card") on the first day of each month for the lease term commencing [*insert date lease term begins*] and terminating [*insert date lease term ends*] for monthly rent in the amount of [*insert amount of monthly rent*].
- 2. Authorization to charge rent throughout lease term.** Resident hereby authorizes and warrants that he/she has elected to have the entire rental amount charged to the Credit Card continuously, that Resident has full authority to make this authorization, and that this is the means that Rent will be paid until the lease term ends or the lease is terminated, unless this Agreement is terminated in writing by either party.
- 3. Additional rent.** In addition to the monthly rental amount, Resident authorizes Owner to charge to the Credit Card all monthly charges defined as Additional Rent in the Lease Agreement, including, but not limited to, utility payments and repair charges.
- 4. Late fees.** Resident also authorizes Owner to charge to the Credit Card all applicable late fees associated with his/her failure to pay Rent by the above specified date.
- 5. Resident's obligations for incomplete transactions.** Resident agrees that in the event that the Credit Card is not authorized by the financial institution or becomes invalid at any time during the lease term, Resident shall owe any Rent and Additional Rent immediately, and shall pay such rent by cashier's check or certified check. In addition, Resident shall be liable, as Additional Rent, for any charge back by the credit card company, including any fees or penalties Owner incurs as a result of the charge back.
- 6. Notice of invalid card.** Resident agrees that the Credit Card is a valid account and that Resident shall notify Owner in writing of the cancellation or expiration of the Credit Card at least five days before the next rental payment is due.

CREDIT CARD:  VISA  MASTERCARD  AMERICAN EXPRESS  OTHER \_\_\_\_\_

ACCT # \_\_\_\_\_ EXP. DATE \_\_\_\_\_

RESIDENT'S NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_ UNIT # \_\_\_\_\_

RESIDENT'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_