

Understanding Your First Three Months of Owner Payments

When starting with a new tenant, there are important financial details to address before everything settles into a regular monthly routine. This guide will help you understand how the first two or three months of rent collection, fees, and disbursements typically work, regardless of whether your lease begins on the 1st or later in the month.

LEASE STARTS ON THE 1ST OR LEASE STARTS ON ANOTHER DAY (E.G., THE 15TH)

Lease start date on the 1st

Pricing Plan:	Complete	Advanced
Management Fee	7.89%	8.89%
Lease Up Fee	75%	50%

Before Renters Move-In:		
Reserve Fund	(\$500.00)	(\$500.00)
Mojolock Installation	(\$175.00)	(\$175.00)
Property Set Up Fee	(\$275.00)	\$0.00
Owner's Contribution	(\$950.00)	(\$675.00)

Month 1		
Rental Income	\$2,000.00	\$2,000.00
Management Fee	(\$157.80)	(\$177.80)
Lease Up Fee	(\$1,500.00)	(\$1,000.00)
Owner's Distribution	\$342.20	\$822.20

Month 2		
Rental Income	\$2,000.00	\$2,000.00
Management Fee	(\$157.80)	(\$177.80)
Lease Up Fee	\$0.00	\$0.00
Owner's Distribution	\$1,842.20	\$1,822.20

Month 3		
Rental Income	\$2,000.00	\$2,000.00
Management Fee	(\$157.80)	(\$177.80)
Lease Up Fee	\$0.00	\$0.00
Owner's Distribution	\$1,842.20	\$1,822.20

Lease start date on the 15th

Pricing Plan:	Complete	Advanced
Management Fee	7.89%	8.89%
Lease Up Fee	75%	50%

Before Renters Move-In:		
Reserve Fund	(\$500.00)	(\$500.00)
Mojolock Installation	(\$175.00)	(\$175.00)
Property Set Up Fee	(\$275.00)	\$0.00
Owner's Contribution	(\$950.00)	(\$675.00)

Month 1		
Rental Income	\$2,000.00	\$2,000.00
Management Fee	(\$157.80)	(\$177.80)
Lease Up Fee	(\$1,500.00)	(\$1,000.00)
Owner's Distribution	\$342.20	\$822.20

Month 2		
Rental Income	\$1,000.00	\$1,000.00
Management Fee	(\$78.90)	(\$88.90)
Lease Up Fee	\$0.00	\$0.00
Owner's Distribution	\$921.10	\$911.10

Month 3		
Rental Income	\$2,000.00	\$2,000.00
Management Fee	(\$157.80)	(\$177.80)
Lease Up Fee	\$0.00	\$0.00
Owner's Distribution	\$1,842.20	\$1,822.20

Prior to Lease Start

Reserve funds

The contingency fund is requested and due within one week of the management agreement execution, funded on: https://rpmme002.appfolio.com/oportal/users/log_in

Management Setup

If your package includes a Management Setup fee, then it is requested to be paid, funded on https://rpmme002.appfolio.com/oportal/users/log_in within one week of the management agreement execution.

Getting Rent-Ready Work

If any preparations are needed to make the property rent-ready—such as cleaning, painting, or covering move-out costs—estimates for these tasks will be provided and must be funded before the work begins (via the Owners Portal). To ensure a smooth process, it's best to fund all approved work as soon as the proposal is signed.

Optional Services

If optional services, such as our maintenance team helping with any work needed to prepare the property “Rent-Ready,” the work schedule will be outlined in the month the agreement is signed. Payment for these services is due within one week of executing the management agreement.

Security Deposit

The security deposit is collected at the time of lease execution, prior to the lease start date, and is held in the tenant's escrow account. The lease is not considered fully executed, and tenants do not gain access to the unit until the security deposit has been received and cleared.

Owner Draws – Summary of the Typical ACH Payment Timeline:

First-time payments to a new bank account

Funds generally take **7–10 business days** to clear, due to additional federal screening protocols applied by banks.

Subsequent payments under \$10,000

These typically take **3–5 business days** to clear.

Payments over \$10,000

May take **7–10 business days** due to enhanced screening.

Please note that timing can vary depending on when rent is paid, when it clears, weekends, holidays, and bank processing times.

Owner's Statements

An owner's statement detailing the previous month's transactions will be available in your owner's portal, typically between the 8th and 12th of each month.

Notes Regarding the Scenarios Below

The following scenarios are simplified examples to illustrate how financial transactions occur during the first months. Rental income, leasing percentages, and monthly management fees may vary, and additional costs like administrative fees, cleaning fees, pet rent, or projects will also be reflected in the Owner's Statement.

Scenario 1: Lease Starts on the 1st

When a lease begins on the 1st, the financial flow is straightforward:

Month 1: Lease Start Month

- The **security deposit**, equal to one full month's rent, is collected at lease signing and held in a tenant escrow account.
- A **full month's rent** is collected prior to lease commencement on the 1st.
- The leasing fee is deducted from the full month's rent (xx% of one month's rent, as outlined in your agreement).
- The **management fee** is deducted from the full month's rent based on your selected plan.
- Depending on the rent amount, lease start date, and applicable fees, there may be a remaining balance owed to the owner.
 - o If funds are due to the owner, they are typically processed between the **7th** and **10th** of most months.
 - o For details on ACH payment processing times, please refer to the "Owner Draws – Overview of ACH Payment Timeline" section above.

Month 2: Lease In Progress

- A full month's rent is collected on the 1st.
- The management fee is deducted from this rent.
- Any remaining balance is paid to the owner via ACH.
- Between the 7th and 10th of the month, the account will be reconciled, and payments are processed. For ACH payment processing times, please see the "Owner Draws – Overview of ACH Payment Timeline" section above.

Scenario 2: Lease Starts Mid-Month (e.g., the 15th)

To simplify payments and ensure proper collection of leasing fees, a full month's rent is collected upfront instead of prorating the first month's rent. Any prorated rent will be applied in the second month.

For example, if the rent is \$2,100 and the lease starts on the 15th of a 30-day month, the daily rent is \$70:

- A **full month's rent** is collected, prior to lease commencement: \$2,100
- The **prorated rent** for the period from the lease start date through the end of the first month is then applied and collected on the 1st of the second month: $\$2,100 \text{ monthly rent} / 30 \text{ calendar days} = \$70 \text{ daily rent} * 16 \text{ days} = \$1,120$
- We typically process rent collection and invoice payments three times per month, though the schedule may vary slightly due to holidays. The first cycle typically runs around the 10th, the second around the 15th, and the third around the 30th. Depending on the lease start date, the rent may be processed in the next scheduled cycle. In this example, likely around the 30th of the month.

Month 1: Lease Start Month – Full Month Rent is Collected

- The **security deposit**, equal to one full month's rent, is collected at lease signing and held in a tenant escrow account.
- A **full month's rent** is collected, prior to lease commencement on the 15th
- The **leasing fee** is deducted from the full month's rent: xx% of one month's rent as outlined in your agreement.
- The **management fee** is deducted from the full month's rent: based on your selected plan as outlined in your agreement.
- **Optional services** such as Surevestor are deducted
- Depending on the rent amount, lease start date, and applicable fees, there may be a remaining balance due to the owner.
 - If funds are due to the owner, they are typically processed between the 7th and 10th of most months.
 - For details on the ACH payment processing times, please refer to the "Owner Draws – Summary of the Typical Disbursement Timeline" section above

Month 2: Lease in Progress – Prorated Rent is Collected

- The **prorated rent** for the period from the lease starts date through the end of the first month is applied and collected on the 1st of the second month
- The prorated **management fee** is deducted from the prorated rent
- Depending on the rent amount, lease start date, and applicable fees, there may be a remaining balance due to the owner.
 - If funds are due to the owner, they are typically processed between the 7th and 10th of most months.
 - For details on the ACH payment processing times, please refer to the "Owner Draws – Summary of the Typical Disbursement Timeline" section above

Month 3: Lease in Progress – Your "Normal" Month

- A **full month's rent** is collected on the 1st
- The **management fee** is deducted from the full month's rent
- Balance if paid to the owner via ACH
 - Between the 7th and 10th of the month, the account is reconciled and payments processed
 - For details on the ACH payment processing times, please refer to the "Owner Draws – Summary of the Typical Disbursement Timeline" section above.