

## CO-SIGNERS

---

There are many situations in which a tenant may need a cosigner in order to sign a lease. Most professional landlords require that a tenant's yearly rent not exceed 30% of his/her gross income, i.e., salary before any deductions for taxes, etc. If a potential tenant is not in the financial situation to sign a lease on his/her own, the most feasible procedure to negotiate a lease agreement is for the tenant to seek a co-signer. A landlord is not obligated to accept a cosigner, but many do.

To be acceptable, a co-signer usually has to meet all of the qualifications of a tenant who would normally qualify for the apartment. He or she must have a good credit and employment record and have sufficient income. For those seeking to rent in Maryland, it usually helps to have a co-signer who lives in-state, although most companies do accept co-signers who live out of state.

Co-signing a lease is a serious responsibility that involves considerable risk. In the event that a tenant defaults on his/her lease, most landlords will seek payment from the co-signer even if they have to take him/her to court.

The co-signer should read the lease very carefully before signing. He/she should know whether they are responsible for only the first year of the lease or for renewals thereafter, which is usually the case. If the tenant has been paying his/her rent on time, and the tenant's income improves enough to hold the lease in their own name, the tenant should seek to have a non-cosigned lease for the future. Preferably, the tenant should seek to do this before the current lease renews. If the tenant is unwilling to do so, and the co-signer wishes to be relieved of future potential liability, the co-signer should send a written notice to the landlord before the lease renews stating that they will no longer be a co-signer at the end of the current lease.

Especially in the case of students, sometimes there are three co-signers – perhaps one from Maryland and two from out of state. The Maryland co-signer and tenant should be aware that the landlord can sue one or all of the co-signers, and it is much easier to sue locally than out of state. If the Maryland co-signer has income and assets enough, he may be the only one sued.

Using a co-signer may enable you to rent the apartment that you really want. However, if you are a tenant seeking a co-signer, it is important to fully realize the risk that you are asking another person to take for you. It may be better to seek more modest accommodations until you have rectified your credit, or have a better employment record and income.