

## New York City Commercial Real Estate News

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### TENANT LEASE GUARANTY

BY LOIS WEISS

*Wednesday, March 05, 2008* - Offering the first-ever institutional guarantor of residential leases, Insurent Agency Corporation launched the Insurent® Lease Guaranty Program which they say increases occupancies, eliminates rent loss, and streamlines the leasing process, all at no cost to the building owner. Jeffrey L. Geller, Vice Chairman & Chief Operating Officer of Insurent Agency Corporation says the program is free to building owners and management companies, and represents an innovation in an industry to secure rent rolls with institutional capital. The program is primarily applicable when renters' income levels do not satisfy the 40x-50x monthly rent multiple requirement.

The Insurent® Lease Guaranty Program guarantees full payment of rent under residential leases to landlords. The Program is underwritten by insurance company, A- (Excellent) by A.M. Best.

Already, The Icon Group and Cape Advisors have signed on to accept the Insurent® Lease Guaranty Program in their properties.

The average fee for all parties will typically be less than a month's rent.

Pricing for college and professional school graduates will always be significantly less than one month's rent. The average Insurent guaranty fee is 6.5% of the annual rent representing 78% of a month's rent for all of its renter demographics (including college and professional school graduates entering the workforce, foreign executives relocating from abroad with no U.S. credit history, relocating US executives, self-employed people, etc.)

The Program is not based on the apartment's cost, but rather the person applying for the apartment.

With Insurent®, the prospective tenant applies and, if qualified, the building owner receives a policy that guarantees payment under the lease. The building owner is the insured and beneficiary of the policy. The tenant pays a one-time fee typically representing less than one month's rent. Renters now have an alternative to the current practice of providing significant additional security or finding "qualified" co-signers.

To expedite the leasing process, prospective renters can pre-apply for an Insurent® Lease Guaranty and, if qualified, receive an Insurent® Qualification Certificate to present to brokers or building owner prior to the lease execution.