

STACY SHERMAN, BROKER · KINGWOOD & HOUSTON

The Texas Landlord's Playbook

Best Practices for Rental Agreements, Tenant Screening &
Security Deposits

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Residential & commercial across Kingwood, Houston, Humble, Atascocita & Liberty County

This guide is general information for landlords and investors, not legal advice. Texas landlord-tenant law changes and every situation is different. Use a current, attorney-reviewed lease (many Texas landlords use the Texas Association of REALTORS® residential lease) and consult a qualified attorney for your specific circumstances.

Why Your Lease & Screening Process Matter

Whether you own one rental home or a growing portfolio across the Lake Houston and Liberty County area, two documents determine most of your success as a landlord: the lease you sign and the criteria you use to choose a tenant.

Get those right and the relationship usually runs smoothly. Get them wrong and a single problem tenant or an ambiguous clause can cost you months of income and thousands in repairs or legal fees. Texas gives landlords and tenants broad freedom to set their own terms, so the written lease governs almost everything — and tenant screening is governed by fair-housing law, so your process must be applied the same way to every applicant. A strong, standardized approach protects you legally and gets you better tenants.

1. What a Strong Texas Lease Should Cover

- **Rent, due date & late fees.** State the exact rent, when and how it's paid, any grace period, and a late fee that is disclosed in the lease and reasonable. Texas requires late fees to be spelled out in the lease.
- **Term & renewal.** Define the length, what happens at the end (month-to-month or renewal), and the notice each side must give.
- **Security deposit.** State the amount and the conditions for its return. Texas sets no cap on the amount but regulates how and when it's refunded.
- **Maintenance & repairs.** Spell out landlord obligations and tenant upkeep (yard, filters, pest). For rural properties, address septic pumping and well maintenance specifically.
- **Entry & access.** Set reasonable notice for inspections and non-emergency entry.
- **Occupancy, pets & property rules.** Define who may live there, pet and animal policies, vehicle/RV rules, smoking, and subletting — the areas that cause the most disputes.
- **Disclosures & addenda.** Include required disclosures and property-specific addenda. Flood history is a fair, increasingly expected disclosure anywhere in the Liberty County and Lake Houston area.

2. Tenant Screening — Fair, Consistent & Legal

Decide your criteria **in writing before you advertise**, then apply them identically to every applicant. Federal and Texas fair-housing law prohibit treating applicants differently based on race, color, religion, sex, national origin, disability, or familial status — so a consistent, documented process is both fairer and your best legal defense. Texas also expects transparency: landlords are generally required to make their

tenant-selection criteria available and to notify applicants of the grounds for denial (Texas Property Code §92.3515).

A Practical Screening Checklist

CRITERION	WHAT TO LOOK FOR
Income	Verifiable gross monthly income — commonly around 3× the rent. Set your ratio in writing and apply it consistently.
Credit & payment history	Review for patterns, not a single number in isolation; define your threshold in advance.
Rental history	Contact prior landlords about payment, care of the property, and notice given — often the most predictive signal.
Employment / income	Confirm with pay stubs, an offer letter, or bank statements per your stated policy.
Background check	Apply the same criteria to every applicant, following fair-housing and applicable screening rules.
Written criteria & notice	Provide your selection criteria to every applicant and note the grounds for denial (§92.3515).

3. Security Deposits, Done Right

Security deposits cause more disputes than almost anything else, and Texas has clear rules worth following to the letter. There is no statutory cap on the amount, but once a tenant moves out and provides a forwarding address, the landlord generally must refund the deposit — with an itemized list of any deductions — **within 30 days**. Deductions can cover damage beyond normal wear and tear and amounts owed under the lease, but not ordinary wear from living in the home.

Protect yourself: document the property's condition with photos and a written inventory at both move-in and move-out, keep repair receipts, and return the deposit and itemization promptly. Texas penalizes landlords who wrongfully retain a deposit in bad faith.

4. Common Landlord Mistakes to Avoid

1. **Using a weak or generic lease.** Cheap templates miss Texas-specific provisions — use a current, attorney-reviewed lease such as the Texas Association of REALTORS® form.
2. **Screening inconsistently.** Bending criteria for one applicant is risky and potentially a fair-housing violation. Apply written standards every time.
3. **Skipping move-in documentation.** No photos or condition report turns deposit disputes into your word against theirs.
4. **Mishandling the deposit.** Missing the 30-day window or failing to itemize exposes you to penalties.
5. **Ignoring property-specific risks.** For rural Liberty County rentals, address septic, well, and flood matters in the lease and disclosures.

Reminder: This is general information, not legal advice. Verify current requirements and use an attorney-reviewed lease for your specific property and situation.

Questions About Leasing, Screening, or Investing?

Stacy Sherman helps landlords and investors across Kingwood, Houston & Liberty County — from buying the right rental to valuing it when it's time to sell. Call 832-445-8934 or visit kingwoodhoustonrealestate.com.