

AN INSTANTANEOUS PAY OFF

VENDORS OF ELECTRONIC RENT PAYMENT PLATFORMS ARE OFFERING
MORE TYPES OF PAYMENTS AND GREATER INTEGRATION WITH MANAGEMENT SOFTWARE
SO THAT RENT CHECKS DON'T BOUNCE—THEY CLICK.

Having an electronic payment platform that integrates fully with property management software improved the convenience of resident payments and reduced delinquent and missing payments at The Morgan Group, a development and property management firm based in Houston with communities across the country, according to Michelle McNeil, the company's Operations Coordinator.

Morgan's electronic payment vendor receives live data from the company's property management software, including residents' current balances for rent and water bills. When residents log in to an online portal, they see that up-to-date balance with itemized charges, making them more likely to pay their rent in full or remember to pay an outstanding balance. "The best feature of it is it has decreased the amount of delinquency," McNeil says.

Morgan already used its payment vendor to collect water bills before it began collecting rent, so uptake for electronic payments has been strong. At one of its downtown apartment communities with many young professionals, 80 percent of residents pay their bills online. "We constantly study what our customers are looking for," says Kim Small, CAPS, Senior Vice President and Director of National Operations for the Morgan Group. "The average renter wants everything done instantly. To be able to do this from a mouse is even more convenient."

Even prospective residents can take advantage of the electronic payment system by paying their application fees and deposits through the portal. When McNeil was doing a lease-up at a Morgan community in Charlotte a prospective resident wanted to check out one more community before making a decision. But while the Morgan community was closed later in the day, the prospect was able to go home, choose an apartment and pay their deposit online. "They don't have time to take off from work the next day and go back to the apartment to make the deposit," Small says.

RENT PAYMENT OPTIONS

While management companies are seeing financial benefits from using electronic payment platforms that integrate with the software they have in place, they also point out the benefits of using payment solutions that allow them to offer a variety of payment options at each community.

Broad-based payment platforms may allow residents to pay online, in the office, through a self-serve kiosk at a community, or by accessing the resident portal on a mobile device. Flexible systems also can accept a variety of forms of payment: ACH (bank-account payment), ATM cards, credit cards, debit cards, recurring payments, and PIN-less debit, a new option that allows lower cost processing.



"The average renter wants everything done instantly. To be able to do this from a mouse is even more convenient."
— Kim Small, CAPS, Senior Vice President
and Director of National Operations
The Morgan Group

Offering such a "one-stop shop" solution provides apartment managers with a number of benefits, including an improved collections process. It eliminates opportunities for residents to make excuses about being out of town because they have the option to pay through the company's system online or even at a retail money transfer location.

Many communities still receive the bulk of their payments at the community by check. Some providers offer the community staff the ability to scan the checks and send the payment information electronically to the bank, offering property managers the power to collect all payments, even physical checks, electronically.

The benefit of receiving all of those payments electronically and in concert with the company's accounting software is that the company collects funds much sooner. Using a manual-entry method for rent check collection, the turnaround time to key payments into a company's accounting system, taking the checks to the bank and waiting for the funds to be transferred to a company's account could be three to 10 days. Electronic payments can be executed in 24 to 48 hours, helping to improve cash flow.

FEE-BASED FINANCING

Fees for online payments and the adjustment to new technologies may be preventing online payments from catching on faster at some companies. At Mishawaka, Ind.-based Sterling Management, about 3 percent of the company's monthly gross potential rent is paid online, and the majority of online payments are through ACH. The company's residents pay a \$1.95 convenience fee to use ACH. The fees to pay with credit cards can be 2.95 percent of the rent or higher.

While the Morgan Group does have a fee of \$20 to \$40 for credit card payments, the company is finding even more reasons why it may receive payments online. "We have students whose parents pay the rent," McNeil says. "This gives them more of a secure feeling that they get a receipt." ■

*PropertyBridge, RealPage, NWP Services Corp.
and Reside Online contributed to this article.*