

Rental Application Evaluation Criteria

We will accept as a tenant any person who submits an accurate, complete application for an available property, meets the standards set forth below; and agrees to abide by the rules and regulations set forth by Management. We support the Fair Housing Act as amended, prohibiting discrimination in housing based on race, color, national origin, religion, sex, handicap, age or familial status. Any false or misleading information supplied by the applicant at any time is an automatic disqualification.

Before an application will be processed, all of the following must be completed:

- 1) An application from every person 18 or older who will be living in the property must be completed and signed.
 - a. The application must be completely filled out.
- 2) The application fee must be paid.
- 3) A copy of a valid driver's license or state issued picture ID must accompany the application.

Pet Policy

The maximum number of pets allowed is 2. There is a \$150 non-refundable deposit per pet. Pet rent is an additional \$35 per pet per month. A pet visit may be required by Management for prior to the pet being approved to live in the property. No vicious, unruly, difficult or dangerous pets/animals allowed. A 20-gallon fish tank is the maximum size allowed. If it is only fish, no additional deposit or pet rent will be charged. All pets/animals must be always friendly to strangers. All pets/animals must have current vaccinations and applicant must provide this to Management upon request. No visiting pets/animals allowed at any time.

Tenant Occupancy

A pass is given if their desired occupancy is at least as long as my desired occupancy. Otherwise, it's a disqualification.

Gross Income

NOTE: Latest W-2 and 2 months of paystubs must be submitted (or proof of deposit if no paystub).

Pass (any of the following):

- 1) 3x rent amount as income on their own
- 2) 3x rent amount as income with other applicants
- 3) Section 8 applicant with voucher for full rent + utility + pet rent (i.e. the full monthly amount due)
- 4) Section 8 applicant where applicant pays a portion themselves (documented and allowed by Housing Authority)

Adjustments:

If above Passing requirements are not met, consider the following (more than one may be applied):

- 1) Co-signer with ability to pay
- 2) Lease Payee agreement for someone else to pay their rent who does qualify
- 3) Prepay rent to reduce monthly amount to meet above Passing guidelines.
- 4) Proof of large backup fund (1-2yrs of rent or more)
- 5) Higher Damage Deposit (2x-3x or more)

Disqualification (any of the following):

- 1) Passing requirements not met
- 2) Inability and/or unwillingness to agree to Adjustment(s)
- 3) Section 8 voucher applicant offers to pay difference outside of the Section 8 program.

Current and Previous Employers

NOTE: Look up the company phone number online and call it. Ask for the supervisor or speak with Human Resources.

NOTE: At least 5 years of employment history should be verified.

NOTE: Stay at home parent or similar is a pass.

NOTE: If self-employed, the previous two years of tax returns must be submitted (with a YTD statement if possible although this is rare).

Pass (all of the following):

- 1) Current employer must be able to be contacted.
 - a. If applicant has been employed less than 6 months by the current employer, the previous employer must also be able to be contacted to Pass.
- 2) Employment and pay are verified.
 - a. Don't forget to ask if it's full time / part time / contract employment. Also ask about overtime pay if applicant is using this as "regular" income.
- 3) Employer would re-hire.
- 4) Employer gives good recommendation (reliable / on-time / quality work / etc.)
- 5) Employment start / end dates match application.

OR for Self-Employed:

- 1) Two or more years of tax returns showing consistent gross income that is 3x the rent per month is a pass.
 - a. **NOTE:** Many self-employed people take a lot of deductions so you may have to look harder at the tax returns and talk with the applicant.

NOTE: If unable to contact the previous employer(s), this is okay (but not preferred). However, if there were any issues with the current employer, it is a disqualification.

Adjustments:

The following adjustments may be made for the reasons listed below:

- 1) Co-signer with ability to pay
- 2) Lease Payee agreement for someone else to pay their rent who does qualify
- 3) Prepay rent to reduce monthly amount to meet above Passing guidelines.
- 4) Proof of large backup fund (1-2yrs of rent or more)
- 5) Higher Damage Deposit (2x-3x or more)

Reasons for adjustment:

- 1) If self-employed applicant does not have 2 years of tax returns or consistent 3x rent income.
- 2) If 5 years of work history have not been performed (new to the workforce).

Disqualification:

- 1) No current employment (and no applicable adjustment can be made).
- 2) Current or previous employer gives a poor overall recommendation and/or would not re-hire.

Current and Previous Landlord References

NOTE: Applicant must provide the greater of the past 3 landlords or past 5 years.

NOTE: All time must be accounted for at an address even if living at home. Check to make dates are consecutive.

NOTE: Check for addresses on all documents provided by the applicant and on their credit report. If addresses are shown that are not listed, ask the applicant for more information.

NOTE: If a previous landlord cannot be contacted due to missing information, make attempt to get contact (county assessor for owner information). If contact can't be made this does not disqualify the applicant. If this is the only landlord reference, then treat this as "No Rental History" and see the Adjustment section below.

Pass (all of the following):

- 1) Rent is current.
- 2) No monies owed.
- 3) Rental information from application matches landlord information (rent amount, dates rented, pets, etc.)
- 4) No legal action taken by landlord or applicant against the other party.
- 5) No late/NSF payments

- 6) Good landlord reference given (took care of the property, minimal damage, no lease violations, etc.)
- 7) Landlord would rent to them again
- 8) Lease completed
 - a. If lease was broken or applicant subleased to another person, landlord must confirm applicant's reason and that the applicant handled it appropriately including paying any fees.

OR

- 1) Applicant lived in a home they owned and credit report shows on time payments.

Adjustments:

- 1) Co-signer with ability to pay
- 2) Lease Payee agreement for someone else to pay their rent who does qualify
- 3) Higher Damage Deposit (2x-3x or more)

Reasons for adjustment:

- 1) No prior rental history.
- 2) Applicant not on lease of previous rental.
- 3) Couch surfing or renting from family or close friends as only landlord reference.
- 4) If only current landlord can be contacted and history is less than 3 years.

Disqualification:

- 1) Major damages left at a previous rental.
- 2) Any money is owed a current or previous landlord.
- 3) Multiple late payments or returned checks.
- 4) Any legal action taken against a landlord by the applicant.
- 5) Any legal action / eviction / lock out taken by a landlord against the applicant.
- 6) Landlord would not rent to them again.
- 7) Applicant is not able to supply current landlord contact information.

Bank Accounts

NOTE: Three months of transactions from bank statements must be submitted with the application.

Pass (all of the following):

- 1) Account transactions show monthly rent paid.
- 2) Combined average balance of accounts $\geq 2x$ the rent amount.
- 3) No returned checks.
- 4) Any overdrafts/NSF were covered by bank and then repaid immediately by applicant.
- 5) No more than 3 overdraft/NSF.
- 6) Full damage deposit and first month's rent available now.
 - a. NOTE: If the move-in date is farther away (30-90 days), the full first month's rent is not required.

Disqualification:

- 1) No bank accounts.
- 2) Applicant refuses to provide detailed bank statements.

NOTE: Investment accounts are only required if used as an adjustment or there are insufficient funds in the current Bank Accounts provided. Investment accounts are also used to justify some adjustments for the applicant located elsewhere in this document.

References

Pass:

- 1) Both references for the applicant give a good reference for the applicant for (at least) the following questions:
 - a. How do you know the applicant?

- b. How long have you known the applicant?
- c. If you've been inside the applicant's home, how would you describe their housekeeping and cleanliness?
- d. If you had a property available for rent, would you feel comfortable renting it to the applicant?
- e. Is there anything else you think I should know about the applicant?

Disqualification:

- 1) Poor references.

Trust and Overall Impression

Pass (all of the following):

- 1) What the applicant tells you matches what you find during processing of the application.
- 2) Applicant provides any requested documents and information promptly.
- 3) During interactions, any children are appropriately behaved and under parent supervision.
- 4) If house visit is performed (highly recommended), good housekeeping and care of the property is present.
- 5) If a pet visit is performed (highly recommended), pets are clean and under control.
- 6) Vehicles appear clean and maintained.
- 7) Applicants are clean.

Disqualification:

- 1) Applicant's story changes and/or is different than findings or does not match application.
- 2) Any of the passing criteria are not met.

Credit Report

Pass (all of the following):

- 1) Name and Social Security Number match credit report.
- 2) Address history matches application or is explained as previous residences prior to application timeline.
- 3) Credit score greater than 600.
- 4) No late payments in the past 12 months and no more than three 30-day lates in the past 3 years.
 - a. If a one time medical or other life event caused credit issues and was discussed prior to processing of the application (or noted on the application), this can be accepted. If it has happened more than once, it is a disqualification.
- 5) No 60, 90, 120 day lates in the past 3 years.
- 6) No short sale or foreclosure within the past 3 years.
- 7) No repossessions.
- 8) No evictions or lock outs.
- 9) No collections or legal action from a previous landlord.
- 10) All non-paid collections other than medical collections total less than \$500.

Adjustments:

- 1) Co-signer with ability to pay
- 2) Lease Payee agreement for someone else to pay their rent who does qualify
- 3) Higher Damage Deposit (2x-3x or more)

Reasons for adjustment:

- 1) More late payments than listed in passing criteria.
- 2) Lower credit score than listed in passing criteria.
- 3) Foreclosure / short sale within 3 years.

Disqualification:

- 1) Not meeting the passing criteria above or qualifying for an adjustment above.

Debt to Income Ratio = (Rent + Monthly Payments)/Gross Income

Pass: Less than 45%

Adjustment: 45%- 55%

If Passing requirements are not met, consider the following (more than one may be applied):

- 1) Co-signer with ability to pay
- 2) Lease Payee agreement for someone else to pay their rent who does qualify
- 3) Prepay rent to reduce debt to income ratio to meet passing guidelines.
- 4) Proof of large backup fund (1-2yrs of rent or more)
- 5) Higher Damage Deposit (2x-3x or more)

Disqualification: Greater than 55%

Potential Exception: If Gross Income is higher than 3x with no adjustments, a higher debt to income ratio may be accepted for high income applicants.

Criminal History

Pass:

- 1) No felonies.
- 2) No criminal history other than minor traffic and other petty offenses.
- 3) Completed probationary period for offenses not listed below under the disqualification conditions.

Disqualification:

- 1) A criminal history including any of the following:
 - a. Any felony conviction
 - b. Misdemeanors that could result in incarceration
 - c. Violent criminal offenses
 - d. Sexual offenses
 - e. Check fraud or identity theft
 - f. Terrorism related offenses
 - g. A history of multiple arrests or criminal charges
 - h. Arrest Warrant(s)
 - i. Possession of a controlled substance (excluding marijuana)
 - j. Intent to sell or distribute offenses
 - k. Any conviction that involves moral turpitude, integrity or honesty
 - l. Any conviction that involves physical violence or endangering the health or safety of another person
 - m. Any convictions in connection with the manufacture or distribution of a controlled substance
 - n. Multiple recent misdemeanors

Online Search

Google all applicants' names (and variants thereof). Applicant passes the Online Search criteria unless any of the following are found in which case they are disqualified:

- 1) Drug or other criminal activity found.
- 2) Information found conflicts with application information.
- 3) Pictures of inappropriate conduct or misuse or lack of care of current or former rental property found.