

RESIDENT SCREENING POLICY FOR CONVENTIONAL PORTFOLIO

Revised November 2006

Welcome to our community. Before you apply to rent an apartment home in our community, please take the time to review this screening policy. All persons 18 years of age or older, not dependents and not married, will be required to complete separate rental applications. Applicants legally married or with adult dependents, and applying for residency will be required to complete a joint application. The term “applicant(s)” under this policy means the person or persons that will be signing the Lease as “residents”; the term “occupant(s)” in this policy means the person or persons that are authorized occupants under the Lease.

Please also note that these are our current rental criteria; nothing contained in these requirements shall constitute a guarantee or representation by us that all residents and occupants currently residing in the community have met these requirements. There may be residents and occupants that have resided in the community prior to these requirements going into effect; additionally, our ability to verify whether these requirements have been met is limited to the information we receive from the various resident credit reporting services used. It is the policy of this community to comply with all applicable fair housing laws including those which prohibit discrimination against any person based on race, sex, religion, color, familial status, national origin or handicap.

- 1, **Occupancy Guidelines** – The following occupancy standards apply.

	Non-Familial	Familial*
One Bedroom	2 persons per bedroom	2 persons per bedroom
Two Bedroom	1 person per bedroom	2 persons per bedroom
Three Bedroom	1 person per bedroom	2 persons per bedroom

* A family may occupy an apartment if the family does not exceed two persons per bedroom *plus* a child who is less than 18 months old *and* who sleeps in the same bedroom with the child’s parent, guardian, legal custodian, or person applying for that status. Residents who have a newborn less than 18 months old at the time of rental application or has reached 18 months during the lease term, will be required, upon the end of the current lease term, to either:

- i. Transfer into another available apartment which has more bedrooms; or
- ii. Move out

Rent for the new apartment will be at the rental rate at the time the lease is entered into for the new apartment. For the purposes of this occupancy policy, a “family” shall consist of the following: one or more individuals (who have not attained the age of 18 years) being domiciled with: (i) a parent or another person having legal custody of such individual or individuals; or (ii) the designee of such parent or other person having such custody, with the written permission of such parent or other person. The term “family” shall also apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years.

2. **Age** – Applicants must be 18 years of age or older unless deemed to be an adult under applicable law with respect to the execution of contracts.
3. **Credit** – A credit report will be completed on all applicants to verify account credit ratings. Income plus verified credit history will be entered into a credit scoring model to determine rental eligibility and security deposit levels. Unfavorable accounts which will negatively influence this score include, but are not limited to : collections, charge-off, repossession, and current or recent delinquency.

ADDITIONAL APPLICATION DEPOSITS WILL BE REQUIRED FOR ALL LOW ACCEPT AND CONDITIONAL ACCEPT CREDIT RECOMMENDATIONS.

Refer Credit Recommendation occurs on applicants with little or no credit history. In such cases, additional checks for rental and income/employment will be completed. If the criteria are met in these checks, an **additional deposit equal to half the standard deposit** will be required. On rental history, applicant must have 6 months of positive rental history within the past 24 months. (Please refer to Clause 8 of this document for detailed information on rental history requirements.) When no rental history exists, an **additional deposit equal to a FULL standard deposit** is required. A criminal background check must be approved before further approval consideration is given.

4. **Income** – Gross income for all applicants in one apartment home will be combined and entered into the credit scoring model for income eligibility. All applicants will be asked to produce consecutive and most recent pay stubs for the last 4 weeks from Application Date. Applicants must have a minimum combined gross income of ***two and one half times the monthly rent.*** Additional sources of verifiable income may be considered. These sources may include: child support, grants, pensions, GI benefits, disability, trust funds, social security and savings accounts.

Some credit scoring results will necessitate further income verification. In such instances, verification with employer will be completed or applicant may be asked to produce additional financial statements/records.

5. **Employment** –If employment is to begin work shortly, the applicant must provide a “letter of intent” to hire from the employer.
6. **Self Employment, Retired or Unemployed** – Such applicants must provide the previous year’s income tax return and the previous two month’s bank statements, or twelve months of financial statements and must exhibit no negative references.
7. **Criminal History** – A criminal background check will be conducted for each applicant and occupant age 18 years or more. The application will be denied for any of the following reported criminal related reasons that have occurred within the ten (10) years prior to the application date.
 - Felony conviction
 - Any terrorist related conviction
 - Any illegal drug related conviction
 - Any prostitution related conviction
 - Any sex related conviction
 - Any cruelty to animals related conviction
 - Misdemeanor conviction involving crime against persons or property
 - Any of the above related charges resulting in “Adjudication Withheld” and/or “Deferred Adjudication”
 - Active status on probation or parole resulting from any of the above

Please remember that this requirement does not constitute a guarantee or representation that residents or occupants currently residing in our community have not been convicted of or subject to deferred adjudication for a felony, certain misdemeanors or sex offenses requiring registration under applicable law; there may be residents or occupants that have resided in the community prior to this requirement going into effect; additionally, our ability to verify this information is limited to the information made available to us by the resident credit reporting services used.

8. **Rental History** – Some credit scoring results will necessitate an evaluation of verifiable rental or mortgage payment history for the last 24 months. In these instances, applicant must have a minimum of 6 months cumulative verifiable rental or mortgage payment history within the last 24 months. In such instances, if a previous landlord cannot be contacted, 6 consecutive months of proof of payment must be verified and a copy of the lease contract must be provided. Applicants not having verifiable rental or mortgage history will have to pay an additional deposit equal to one month's rent. When applications also depend on the results of a rental history investigation for an approval/denial determination, applications for residency will automatically be denied for the following reasons:
 - i. An outstanding debt to a previous landlord or an outstanding NSF check must be paid in full
 - ii. A breach of a prior lease or a prior eviction of any applicant or occupant
 - iii. More than 4 late pays and/or 2 NSFs within the last 24 months
9. **Guarantors** – Guarantors will be accepted for applicants who are first-time renters or students. For guarantor-supported applications, an additional application deposit will be required. The deposit level will be based on the credit analysis. The guarantor will be required to complete an application and pay a full application fee. Guarantors must have a gross monthly income of 4 times the monthly rent and meet all other qualifying criteria identified in this screening policy. The guarantor will be asked to sign a Lease Guaranty Agreement to support this application. Only a relative or employer will be considered as guarantors.
10. **Animals**

If animals are accepted at the Riverstone Residential Group community where application is made, no more than two animals each weighing 50 pounds or less **full-grown** are allowed per apartment. Animals must be no less than six (6) months of age. Aggressive breeds will not be allowed. These include, but not limited to, Doberman Pincher, German Shepherd, Rottweiler, Pit Bull. Exotic animals such as reptiles, birds and rodents, and poisonous animals such as tarantulas, insects and poisonous fish are not allowed. A \$250 deposit, a \$250 non-refundable animal fee and prior approval from management will be required. Aquariums will be allowed with a 20-gallon maximum on the first floor only with proof of insurance for the entire term of the lease.
11. **Vehicles**

Two vehicles are allowed per apartment. Vehicles must be operational and have current registration and inspection. Boats or trailers are not allowed at any time.
12. **Water Furniture** – Water furniture will only be allowed in first floor apartments with proof of fully paid insurance for the term of the lease.
13. **Deposit Levels** – The results of the credit score will determine the amount of Application Deposit. This may range from a standard deposit to an additional deposit requirement equal to a full month's rent.
14. **Falsification of Application** – Any falsification in Applicant's paperwork will result in the automatic rejection of Application. In the event that an Applicant falsifies his/her paperwork, owner has the right to hold all deposits and fees paid to apply towards liquidated damages.

Application will not be considered until the Application has been fully executed and returned, and all applicable Application Deposits and fees have been paid. I have read and understand the entire resident screening policy of this community.

APPLICANT(S) SIGNATURES

_____	DATE _____
_____	DATE _____
_____	DATE _____