

RESIDENT SCREENING POLICY FOR AFFORDABLE COMMUNITIES

Thank you for your interest in our community. Before you apply to rent an apartment home in our community, please take the time to review the screening requirements. All persons 18 years of age or older, and not dependents, will be required to complete separate rental applications. Applicants with adult dependents, and applying for residency will 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.

*We do not accept comprehensive reusable tenant screening reports as defined by and pursuant to RCW 59.18.257

Statement of Non-Discrimination and Fair Housing Policy

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, age, or disability. Housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

This community will make reasonable accommodation(s) to persons with disabilities if such accommodation(s) will allow a prospect and/or applicant an experience comparable to those of non-disabled renters. Any person can make a request for reasonable accommodation by phone or in writing to the property in which they wish to visit, apply and/or reside.

In accordance with section 607 of the Violence Against Women Act, this community will ensure confidentiality of any personally-identifying information regarding victims of domestic violence, and will maintain policies and practices that prohibit denial of a rental application for reasons related to incidences of domestic violence against the applicant and/or affiliated individuals. If the applicant is a victim of Domestic Violence, Dating Violence, sexual assault, stalking, or human trafficking a HUD Certification form (or other documentation as noted on the form) is asked to be completed and submitted within 14 business days in order to receive protection under VAWA.

Qualifying Rental Criteria

All visitors must present a valid driver's license or government issued photo ID in order to view the community.

1. **Occupancy Guidelines** - The following occupancy standards apply based on 2 persons per bedroom, plus one per apartment.

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| One Bedroom | Three Persons |
| One Bedroom with Den | Four Persons |
| Two Bedroom | Five Persons |
| Three Bedroom | Seven Persons |
| Four Bedroom | Nine Persons |

* Residents who exceed these occupancy standards 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 at the new apartment will be at the rental rate at the time the lease is entered into for the new apartment. **If a transfer occurs the resident will have to re-qualify under all income and rental guidelines under the Affordable Housing Program.**

2. **Student Status** – Pursuant to affordable housing programs, to the extent applicable, we cannot approve an application in which all occupants of a household will be students, unless they qualify under the affordable

housing guidelines. Please see one of our leasing consultants for student qualifications.

3. **Non U.S. Citizen** – One of the following valid I-94, I-95, I-551, I-151, I688A, I-688B, I-766 form must be provided. The I-94 or I-95 must show entry date and authorized period of stay. Applicant must meet all other qualifying criteria as noted below.
4. **Application** – Applications for residency will be automatically denied for the following reasons:
 - i. Intentional falsification of information on the application and/or affordable housing qualifying paperwork
 - ii. Previously evicted or skipped from a prior rental dwelling or in the process of eviction
 - iii. Failed to meet the credit model requirements
 - iv. Failed the criminal background check
 - v. Failed to provide required documentation within three (3) business days of request from the Community
 - vi. Credit report contains an open bankruptcy
5. **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. In respect to property jurisdiction within state law some applicants will be required to provide current proof of emancipation. Some affordable programs may require applicants 17 years of age to provide eligibility paperwork.
6. **Credit** - A credit report will be completed on all applicants to verify 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 recent delinquency; open bankruptcies, or bankruptcies discharged and/or closed within the past 12 months, will result in an automatic denial of the application.

ADDITIONAL APPLICATION DEPOSITS WILL BE REQUIRED FOR ALL CREDIT RECOMMENDATIONS BELOW AN ACCEPT LEVEL, NOT INCLUDING A DENY RECOMMENDATION.

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** will be required. On rental history, applicant must have 12 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** is required.

7. **Income** - Gross income for all applicants in one apartment home will be combined and entered into the credit scoring model for income eligibility. Annual household income cannot exceed the maximum allowable income for this property. Applicants must have a minimum combined gross income of **2.5** times the **monthly rent**. Additional sources of verifiable income may be considered. These sources may include: child support, TANF, grants, pensions, GI benefits, disability, trust funds, social security and savings accounts. (The applicant must supply six current consecutive months of bank statements if any of the additional sources of income listed above cannot be provided directly from the supplier.) The maximum income required for Section 8 Voucher or Certificate holders must be at least 2 times the tenant rent portion or \$2,500 annually, whichever is greater. Maximum allowable income for Federal and governmental regulated programs at this community will be determined and based on HUD guidelines.

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.

8. **Employment** – An Employment Verification must be sent to the employer to verify applicant's income. Applicant may be asked to produce 4-6 consecutive and most recent pay stubs. Pay stubs must reflect gross income, employer's name, and or social security number of employee and date. If handwritten pay stubs are supplied, the documents must be validly notarized to be deemed sufficient. Additional information may be requested. If employment is to begin work shortly, the applicant must provide a "letter of intent" to hire from the employer. If an employer uses The Work Number, applicants may be responsible for additional charges incurred.
9. **Unemployment** – All applicants who state they are unemployed but have income must sign an unemployment affidavit. If any unemployed individual has zero income, they will sign the zero income affidavit. Unemployment benefits must be annualized. If unemployed and anticipating employment, we may need a copy of the last year's

tax return. If the income on the tax return would over qualify the applicant, then their application may be denied.

10. 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, or a letter from a CPA anticipating the applicant's income for the next twelve months. Seasonal employment must be verified by providing the prior year's tax return.

11. Criminal History - A criminal background check will be conducted for each applicant and occupant age 18 years or more. Any conviction for manufacture or distribution of any federally controlled substance and applicants who are required to register as sex offenders for life will result in an automatic denial of tenancy.

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.

12. 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 12 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 may have to pay an additional deposit.

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 must be paid in full (may result in a conditional approval)
- ii. A breach of a prior lease or a prior eviction or in the process of eviction of any applicant or occupant
- iii. More than 1 late payments and/or 1 NSF within 2 years

13. Guarantors - Guarantors will be accepted for applicants who do not meet the required rent-to-income ratio. Only one guarantor per apartment is permissible. 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 Guaranty of Resident Obligations to support the application. Guarantors may be relatives or an employer; friends may not serve as a Guarantor.

14. LeaseLock – LeaseLock will be accepted for applicants who do not meet the required rent-to-income ratio, have been conditionally accepted or denied due to credit history and have the LeaseLock option appear in the screening result. The LeaseLock certificate must be provided to the property.

15. Animals - If animals are accepted at the community where application is made, no more than two animals are allowed per apartment. Animals must be no less than six (6) months of age. Aggressive breeds will not be allowed. See list below for animals not allowed. A deposit of **25% of 1 month's rent** 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.

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| <p>RESTRICTED ANIMAL/BREED LIST (included but not limited to) (Note: Service/Companion animals may not be subject to this list)</p> |
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| Breeds of Dogs: | Pit Bulls Rottweilers Presa Canario German Shepherds Huskies Malamutes Dobermans Chowchows St. Bernard's Great Danes Akitas Terriers (Staffordshire) American Bull Dog Karelian Bear Dog Any hybrid or mixed breed of one of the aforementioned breeds |
| Poisonous Animals | Tarantulas Piranhas |
| Exotic Animals: | Reptiles (snakes, iguanas) Ferrets Skunks Raccoons Squirrels Rabbits Birds (parrots, cockatiels, macaws) |

- 16. Vehicles – One vehicle per adult lease holder.** Vehicles must be operational and have current registration and inspection. Boats or trailers are not allowed at any time.
- 17. Water Furniture** - Water furniture will only be allowed in first floor apartments with proof of fully paid insurance for the term of the lease.
- 18. Deposit Levels** - The results of the credit score will determine the amount of Application Deposit.
- 19. Falsification of Application** - Any falsification in Applicant's paperwork will result in the automatic denial 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.
- 20. Application Fees** - As allowable by State and Local legislation, a separate check for the application fee must be provided with the completed rental application form. This check is deposited on the same business day, or the following business day following the weekend or a holiday.
- 21. Adding an occupant/roommate after move-in** – Should an existing resident wish to add a roommate/family member to a lease, the household will need to re-qualify as if they were a new move-in. Unauthorized occupants are not permissible and may result in the termination of a lease agreement.

Income Limits and Verification of Eligibility Requirements

This affordable community has income limits for applicants and may continue to limit income for residents at recertification time. To determine income limits for affordable properties, HUD charts the incomes from persons living in the greater Metropolitan Service Area (MSA) to establish the median income, known as the Area Median Income (AMI). Limits are referred to as 35% of AMI, 40% of AMI etc. They can be as high as 140% of AMI.

Prospective tenants will be screened by processing a rental application in accordance with the community's qualifying rental criteria. Upon approval of credit and criminal background screening, the property will begin assessing whether the applicant qualifies for an affordable unit. The following factors will be considered in determining whether an applicant is eligible for the property's affordable housing program:

- i. Income eligibility is defined as the households' annual income at the date of admission into the program, as well as the anticipated income for the next twelve months. The date of admission is the move in date, also known as the effective date. The household income cannot exceed the income limits for occupancy as set forth by the agency which has jurisdiction over the property's affordable housing program.
- ii. In order for an applicant to be considered for admission, the property must have a unit type available that would meet the needs of the applicant and that match the affordable program for the property.
- iii. In order to be eligible, the Head of Household must be of age to enter into a legal, binding contract.
- iv. Each Head of Household and spouse/co-head (regardless of age), and every person over the age of 18 shall sign one or more forms giving the property consent to check the applicant/resident information against the requirements for the property's affordable program. Verification of the following will occur:
 - a. Income of each household member
 - b. Other references as appropriate

Income eligibility will be verified prior to move in, and if required by the housing program, the property will verify the gross income of residents on an annual basis.

Waiting List

Please inquire with the property staff if a wait list option is available for this property, and what preferences exist, if any. If a wait list option is available, applicants are added in chronological order. The applicant will receive an email and/or phone call when a vacant unit becomes available. If listed on a wait list, it is the responsibility of the applicant to keep their contact information current.

Rejection of applicants/review process

Upon receipt of unfavorable information about an applicant for housing or any information which could result in a denial of the applicant's application, a letter will be sent to the applicant that will accomplish the following:

- i. Notify the applicant of the receipt of unfavorable information
- ii. Briefly describe the nature of the unfavorable information
- iii. Advise the applicant of his or her rights to inspect the information
- iv. Inform the applicant of the opportunity to submit to the property staff of written explanations or evidence of current fitness as a resident within 10 days of receipt of the letter
- v. Advise that if no information is submitted within the 10 days the decision on the application will be based on available information and the denial becomes final

If the applicant does not respond within the 10 days the application will be cancelled and a letter to that effect will be sent to the applicant

If the applicant does respond the written information will be presented to a panel whose mandate is to make an individual assessment based on the totality of the circumstances.

Additional Information

In the event that the Applicant becomes a resident in Owner's apartment community, Applicant's execution of this Application shall authorize the Owner, in the event of the Applicant's death to: (i) grant to the person designated as Emergency Contact access to the Applicant's unit at a reasonable time and in the presence of the Owner or the Owner's agent; (ii) allow this person to remove any of the Applicant's property or any other contents found in the Applicant's unit or any of Applicant's property located in the mailbox, storerooms or common areas; and (iii) refund the Applicant's security deposit, less lawful deductions, to this person. Applicant also authorizes the Owner to allow this person access to remove all contents of the unit as well as property in the mailbox, storerooms and common areas in the event that Applicant becomes seriously ill.

AUTHORIZATION: Applicant represents that all of the information provided by applicant on this application is true and complete and authorizes the verification of same and the performance of a credit check on Applicant as appropriate by all available means. In the event that Applicant provides any false or misleading information in this



Application, Owner shall have the right to automatically reject this Application and the Application Deposit and Administrative Fee will be automatically forfeited by the Applicant. Applicant further acknowledges that an investigative consumer report includes information as to character, general reputation, personal characteristics, and mode of living, whichever are applicable, of the Application may be made and that any person on which an investigative consumer report will be made has the right to request a complete and accurate disclosure of the nature and scope of the investigation requested and also has the right to request a written summary of the person's right under The Fair Credit Reporting Act. **Applicant hereby authorizes the Owner or the Owner's Agent to obtain and hereby instructs any consumer reporting agency designated by Owner or Owner's Agent to furnish a consumer report under The Fair Credit Reporting Act to Owner or Owner's Agent to use such consumer report in attempting to collect any amount due and owing under this Application, the Applicant's lease (to be executed after Application approval) or for any other permissible purpose.**

APPLICATION DEPOSIT AND NONREFUNDABLE FEES:

Simultaneously with the execution of this Application, Applicant has paid:

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| Application Deposit (the "Application Deposit") | \$600.00 |
| Non-Refundable Application Fee | \$20.00 |
| Total | \$620.00 |

Applicant acknowledges that Owner's acceptance of Applicant as a resident at the property is conditional upon: (i) Owner's approval of this Application; and (ii) receipt of an executed Apartment Lease Agreement from Applicant. In the event any of these conditions have not been met, Owner shall have no obligation to lease to Applicant.

The Application Deposit is not considered a security deposit under this Application or applicable law. The Application Deposit will either be: (i) credited to the required security deposit pursuant to an Apartment Lease Agreement executed by Applicant; (ii) refunded to Applicant as provided herein; or (iii) retained by Owner as liquidated damages as provided herein.

Application Deposit Credited to Security Deposit In the event that this Application is approved by Owner and Applicant meets all other conditions of occupancy, executes an Apartment Lease Agreement with Owner as and when required by Owner, the Application Deposit shall be credited towards the security deposit identified in the Lease.

Application Deposit Refunded and Administrative Fee Returned If this Application is denied, the Application Deposit and Administrative Fee will be refunded to Applicant within 30 days of submitting application.

Application Deposit and Administrative Fee Retained by Owner Owner shall be entitled to retain the Application Deposit and Administrative Fee as liquidated damages; in which case, all further obligations to lease the premises to Applicant shall be terminated if: (i) the Application is withdrawn, for any reason, after signing this Application; or (ii) the Application is accepted, but Applicant does not sign an Apartment Lease Agreement as and when required by Owner; or (iii) if the Applicant has provided false or misleading information within this Application.

Dated effective on the date Owner or Owner's representative has received a completed Application from Applicant, as indicated above.

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) Date

(Applicant) Date

(Applicant) Date

(Applicant) Date

