



RESIDENT SCREENING POLICY

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, 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. 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 based on 2 persons per bedroom, plus one per apartment.

| | |
|----------------------|---------------|
| One Bedroom | Three Persons |
| One Bedroom with Den | Three 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 for the new apartment will be at the rental rate at the time the lease is entered into for the new apartment.

- 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 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, open bankruptcies, charge-off, repossession, and current or recent delinquency. We do not accept reusable tenant screening reports.

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 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** 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. If handwritten pay stubs are supplied, the documents must be validly notarized to be deemed sufficient. Applicants must have a minimum combined gross income of **2.5 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. (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.)

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. Seasonal employment must be verified by providing the prior year's tax return.

- 7. Criminal History** A criminal background check will be conducted for each applicant and occupant age 18 years or more. The application may be denied for any of the following reported criminal related reasons that have occurred within the timeline identified below prior to the application date regardless of the applicant's age at the time the offense was committed. All records are evaluated from the date of disposition.

| Offense | Felony | Misdemeanor |
|---|---|-------------|
| Crimes Against a Person or Property | 7 years | 5 years |
| Drug Related Offenses | 7 years | 5 years |
| Theft By Check Related Offenses | 7 years | 5 years |
| Worthless Check and/or Bogus Check Related Offenses | 7 years | 5 years |
| Sex Related Offenses and Terrorism Related Offenses | Declined regardless of time | |
| Prostitution Related Offenses | 7 years | 5 years |
| Weapons Related Offense | 7 years | 5 years |
| Cruelty To Animals Related Offenses | 7 years | Approved |
| Any Other Felony Offense | Felony offenses that do not fall within categories above, (ex: traffic, DUI) 7-year timeframe | |
| Deferred Adjudication and/or Adjudication Withheld | Off probation/parole for 5 years | |
| Pending Cases and/or Arrest Warrants | Approved | |
| Active Status on Probation and Parole | Off probation/parole for 5 years | |
| Pre-Trial Intervention/Diversion | Approved | |

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.

If an applicant has a criminal record returned, Security Properties Residential, LLC will use the following Criminal Conviction Review Process:

Owner/Agent will engage in an individualized assessment of the applicant's, or other proposed occupant's, Convictions if applicant has satisfied all other criteria (the denial was based solely on one or more Convictions) and:

- (1) Applicant has submitted supporting documentation prior to the public records search; or
- (2) Applicant is denied based on failure to satisfy these criminal criteria and has submitted a written request along with supporting documentation. Supporting documentation may include:
 - i) Letter from parole or probation office;
 - ii) Letter from caseworker, therapist, counselor, etc.;
 - iii) Certifications of treatments/rehab programs;
 - iv) Letter from employer, teacher, etc.
 - v) Certification of trainings completed;
 - vi) Proof of employment; and Statement of the applicant.
 - vii) Statement of the applicant.

Owner/Agent will:

- (a) Consider relevant individualized evidence of mitigating factors, which may include: the facts or circumstances surrounding the criminal conduct; the age of the convicted person at the time of the conduct; time since the criminal conduct; time since release from incarceration or completion of parole; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts. Owner/Agent may request additional information and may consider whether there have been multiple Convictions as part of this process

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 or in the process of eviction of any applicant or occupant
- iii. More than 1 late payment and/or 1 NSF within 6 months or late payments and/or NSFs within a year

- 9. Guarantors** Guarantors will be accepted for conventional applicants. 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. Guarantors are not permitted for income qualified or affordable homes.

- 1 **Animals** If animals are accepted at the Security Properties Residential community where application is made,
0. no more than **2** animals each weighing **n/a** 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. See list below for animals not allowed. A **\$300.00** pet deposit, and prior approval from management will be required. Aquariums will be allowed with 50 gallons maximum on the first floor only with proof of insurance for the entire term of the lease.

RESTRICTED ANIMAL/BREED LIST

(included but not limited to)

(Note: Service/Companion animals may not be subject to this list)

Breeds of Dogs: Pit Bull

Rottweiler

Presa Canario

German Shepherd

Husky

Malamute

Doberman

Chowchow

St. Bernard

Great Dane

Akita

Terriers (Staffordshire)

American Bull 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)

- 11 **Vehicles** 1 vehicles are allowed per apartment. Vehicles must be operational and have current registration and inspection. Boats or trailers are not allowed at any time.

- 1 **Renter's Insurance Requirement** Security Properties Residential requires all residents to carry a minimum of \$100,000 Personal Liability Insurance. We recommend insurance at our restricted income communities (Tax credit and HUD) however, it is not required. We recommend that you consider adding Personal Property Coverage as added protection. Although all residents may select any insurance provider, Security Properties Residential has partnered with eRenter Plan to provide a convenient, reasonable option that offers peace of mind. For additional questions about coverage, you may contact eRenter Plan by calling (888) 205-8118 or visiting their website www.eRenterPlan.com. Regardless of the provider you choose, proof of Personal Liability Insurance (Confirmation of Insurance or Declaration Page) must be presented to the Leasing Office prior to the extension of your lease term. Note that Leasing Desk Insurance Services, LLC is not owned or operated by us, and we make no guarantees, representations, or promises concerning the insurance or services it provides. You are under no obligation to purchase renter's insurance through eRenterPlan.

- 1 **Water Furniture** Water furniture will only be allowed in first floor apartments with proof of fully paid insurance
3. for the term of the lease.

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4. Deposits Levels The results of the credit score will determine the amount of Application Deposit.

1 Falsification of Application Any falsification in Applicant's paperwork will result in the automatic denial of
5. 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.

(Resident) Date

(Resident) Date

(Resident) Date

(Resident) Date