

## SCREENING PROCESS

After the applicant has submitted a complete application, paid the application fee and deposit, the application shall be considered "Active" and subject to screening. The screening should begin immediately based on the availability of units at the property. The application is processed in the following order, and if rejected at any point, further processing is not necessary:

1. Determination if applicant meets the *Income Eligibility Criteria*.
2. Determination if applicant meets the *Occupancy Standards*
3. Determination if applicant meets the *Leasing Compliance Standards*

In order to be considered for occupancy, an applicant's household must contain at least one person who is 18 years of age or has been emancipated (see definition below); and, who is able to enter into a legal contract (Rental Agreement) as Head, Co-head or Spouse of the household.

### Income Eligibility Criteria

- The household's gross annual income must not exceed the appropriate Housing Credit income limit as determined annually by the Department of Housing and Urban Development (HUD). The ENTIRE household's income (including children) must be considered as determined by the HUD Occupancy Handbook 4350.3.

For the Head of Household there must be employment history of at least **6** consecutive months with the same employer; or, a history of 12 consecutive months from any income source. This includes Public Housing Authority's Housing Choice Voucher applicants.

- The total income and resources of the household must be sufficient to meet all other needs of the household, in addition to paying the proposed monthly rent. This is determined as follows:
  - Where the estimated rent of the household will exceed **40%** of the gross income, the income will be considered to be insufficient. Insufficiency of income can be overcome by having an approved rent guarantor sign a "Guarantor of Lease Application" (RS-6), pass a credit screening and sign the appropriate area of the Rental Agreement. See 'Guarantor(s) of Lease' section below.
  - Where the household's estimated rent will be greater than **30%**, but less than **40%** of the household's gross income, one of the following must be true:
    - (1) All income and expenses must show sufficient income to pay rent.

Determination of the household’s expenses can be obtained from two sources:

- a. Credit Report
- b. Applicant(s)

(2) If the applicant household, at their current income level, has established and met a recent payment record where the rental amount was *equal to or greater* than the proposed rental amount at this Apartment Community for a period of three (3) months.

(2) If the applicant does not have employment or another regular source of income at move-in, they can pay the term of the lease in advance. However, Management will re-qualify the household circumstances at the end of the lease term, usually at annual recertification, to determine continued eligibility for housing.

- All household members, who are able to enter into a legal contract (Rental Agreement), must be willing to execute the Rental Agreement and accept full responsibility for compliance thereto.
- Emancipation: State statute declares that anyone under the age of 18 is a minor. A person under the age of 18 may be considered legally emancipated by one of the following:
  - Current or prior lawful marriage
  - Active duty in the armed forces of the United States of America
  - Valid emancipation court order

**Occupancy Standards**

The following standards apply in determining the size apartment for which a household will qualify at the time of move-in:

Bedroom Size	Minimum	Maximum
0	1	2
1	1	2*
2	1	4*
3	1	6*
4	1	8*

***\*Infants:*** a conceived, but unborn child or a child 24 months of age or younger can be added to the maximum listed above.

**Lease Compliance Standards:**

All applicants and household members found to meet the Income Eligibility Criteria and Occupancy Standards will next be screened as to their ability and willingness to comply with the lease. The purpose of this screening process is to identify those otherwise qualified applicants and household members whose past record would indicate that they are unlikely to comply with the terms of their lease if they are provided housing. The “Lease Compliance Standards” are as follows:

- Will he/she pay rent and other housing obligations in a timely manner; **and**,
- Will he/she maintain an apartment, including common areas, in a safe, decent and sanitary condition; **and**,
- Will he/she respect the rights and quiet enjoyment of other residents; **and**,
- Will he/she report all changes in income and household composition in a timely and accurate manner; **and**,
- Will he/she comply with the requirement that only persons who are on the lease may live in the unit; **and**,
- Will he/she refrain from damaging the property of the Owner and other residents; **and**,
- Will he/she refrain from committing criminal acts on or off the property?

**Leasing Compliance Screening Criteria:**

Determination as to whether an applicant or household member meets the “Lease Compliance Standards” is based on information obtained from the following sources:

- Housing Provider Questionnaire Form (RS-4) – where the applicant/household member has/had a traditional tenant-landlord situation; has lived with a friend or relative; was/is living in a halfway house, mental institution or homeless shelter, etc. Information must cover the **past two years**. (Also applies to Live-in Aides and Attendants.)
- Credit Report – Property Managers will be responsible for obtaining a credit report on each household member, aged 18 years and older, through the service company specified by Management. Credit reports are valid for **60 days**. (N/A for Live-in Aide or Attendant.)
- Police Records – Property Managers will be responsible for obtaining a criminal background check on each applicant head of household and each household member aged 18 years and older, through the service company specified by Management. If persons *under* 18 years of age living in the household have a criminal background, the parents or legal guardian will be responsible to divulge this

information to Management. Management can reject the household based on the juvenile criminal history as well. If an applicant has lived out-of-state during the last **five (5)** years, police reports are required from each state in which any adult member of the household has resided during the last **five (5)** years. Again, parents or legal guardians must divulge this information for persons *under* 18 years of age. Police reports are valid for **60 days**. This also applies for a Live-in Aide or Attendant.

The applicant will be deemed **not** to meet the “Lease Compliance Standards” if one or more of the following are true:

1. If prior and current housing provider screenings show that any adult in the applicant household was evicted, or had eviction proceedings brought against him/her; removed or abused property; was a nuisance (noise, pets, rampant children, etc.); had a repeated history of late payments during residency<sup>\*\*</sup>; still owes an amount<sup>\*\*</sup>; violated the lease in any other significant way; or failed to meet any other financial obligations of the housing provider. (Rental obligations do not apply to Live-in Aides or Attendants.) (\*\*Refer to paragraph #2 below for more information.)
1. At least **one** adult household member must **pass** the **credit** history evaluation. Credit reports must be evaluated on the following guidelines:
  1. Each credit report shall be evaluated on a **pass or fail** basis.
  2. Evaluation (pass or fail) will be made by an *independent* credit screening company to be chosen by the Regional Property Supervisor.
  3. CRITICAL TEST: If the credit report(s) shows that any adult household member has a *positive* credit rating of **500 or above**, the applicant shall be considered to **pass**.
  4. If the credit rating for the household is **below 500, is stated as insufficient credit or no credit**, the household shall be considered to **fail**.

Failed credit can be overcome by a decision of the Regional Property Supervisor (in writing) and/or in *one or more* of the following ways:

- Having an approved rent guarantor sign a “Guarantor of Lease Application” (RS-6), pass a credit screening and sign the relevant paragraph in the Rental Agreement. See “Guarantor(s) of Lease” section below. (No double Security Deposit); **or**,
- Having the household pay double the security deposit as relevant for the property. NOTE: *The **total** Security Deposit plus any additional required deposits (i.e. Pet) must not exceed \$ 1.00 less than one month’s unit rent; or*,
- The household will begin receiving Rental Assistance (*Housing Choice Voucher*) with this occupancy.

2. If any household member (including persons under age 18 years) is a *current user of illegal drugs*. Examples for determining *current illegal use* include:

- Discovery of controlled substances or drug paraphernalia or evidence of drug manufacture in a residence occupied by any member of the household.
- Conviction of any household member for any drug-related crime.
- Recent arrest (pending adjudication) of any household member for any drug-related crime.
- Repeated disturbances caused by alcohol abuse. A determination made by a previous landlord that a household member's abuse or pattern of abuse of alcohol threatens the health and safety or right to peaceful enjoyment of the premises by other residents.
- Statements from qualified professionals knowledgeable of the applicant, or any household member, or credible statements from other third parties such as housing providers and police reports.

When rejecting such an application, the applicant must be given an opportunity to demonstrate that the household member is not a *current abuser of alcohol or a current illegal user of drugs* by introducing verifiable, written evidence of rehabilitation.

3. The applicant's household includes a member (also applies to persons under age 18 years) who has been **convicted** (\*or arrested as defined below) of:

- Within the past **ten** (10) years: violent criminal activity involving the actual or threatened use of physical force against another person, including but not limited to battery, any illegal drug related activity (including sale, distribution, manufacture, possession, or use of a controlled substance); or, any other felony such as burglary, receiving stolen merchandise, simple assault, disorderly conduct; etc.
- Within the past **two** (2) years: misdemeanors against persons or property of another such as vandalism, graffiti, malicious mischief, etc.
- Within a **lifetime**: murder, rape, child molestation, kidnapping, armed robbery, or any felony involving a firearm/weapon, and sex offenders who are subject to registration requirements under any state offender program.
- Within **five** (5) years of the application date: An ongoing or concluded incarceration, work release, parole or probation resulting from the conviction.

\* Where records reflect a past arrest without a final disposition, and the crime would be a basis for rejection as set forth above, the applicant must provide proof that the charge was dismissed for lack of evidence, or adjudicated not guilty. In the absence

thereof, the proof of any drug related or violent criminal activity shall be a preponderance of the evidence.

4. If the applicant's household includes a member whose past actions indicate that one or more of the "Lease Compliance Standards" will not be met.

Accommodation for addicts or mentally disturbed:

If an application is rejected for any of the above reasons and the applicant/household member claims to have been addicted to a substance or mentally disabled/ill at that time, he or she must then be given an opportunity to present mitigating circumstances. Since these are *protected individuals* under the Fair Housing laws, an opportunity to demonstrate that a reasonable accommodation by Management would allow the applicant to be an acceptable resident.

**It is up to the applicant/household member to tell the Property Manager that he or she deserves or wants reasonable accommodation, otherwise the rejection stands and no accommodation is given.**

Whenever you are dealing with an alcoholic, drug addict or a person with a mental disability, you can hold them to the same standard of behavior and use the same tenant screening criteria that you would persons who don't have a disability even if the objectionable conduct is caused by the disabling condition.

If the applicant/household member has a history of abusive behavior toward other residents, you can deny the application even though the behavior is the result of mental illness. Similarly, if a resident violates the terms of his/her lease, he/she can be evicted even though the violation was the result of mental illness. Generally, if the objectionable behavior appears to be of a continuing or recurring nature, you should use this as a basis for denying the application. Examples of these would include bad credit history, repeated late payment of rent, and interference with the quiet enjoyment of other residents.

On the other hand, if you have reasonable assurance that the problem which would ordinarily require denial was an isolated incident, which is not likely to recur, and the applicant's/household member's history is otherwise acceptable, the Property Manager should take the mitigating circumstances into account and accept such an applicant/household member. An example of this situation would be where a person had been unexpectedly institutionalized for addiction or mental illness, which caused him/her to be temporarily late in making his/her payments, but the person had an otherwise good credit history. If the institutionalization was not unexpected, the applicant should have made provision for the timely payment of his/her obligations.

Guarantor(s) of Lease: (Insufficient income does not apply to PHA Housing Voucher applicants.)

If an application is denied because of insufficient income or failed credit, the application will be reconsidered in the event that a qualified Guarantor(s) of Lease is found. A Guarantor(s) of Lease will be considered qualified if he/she meets all of the following requirements:

1. Completes “Guarantor of Lease Application” (form RS-6) and provides required income and credit (payment history) verifications.
2. Meets the screening criteria with regard to credit evaluation for applicants.
3. Is buying a home, owns a home, or has an executed lease agreement at current residence and was not late on payments more than once in each year of residency.
4. Debt ratio not to exceed 50% of their gross income (not including applicant's rent).
5. Signs the Rental Agreement (Form RA-1m) under co-signers (guarantors), which guarantees that rent will be paid in a timely manner on the leased unit.

#### **Denials or Rejections of Applications:**

Property Managers will be responsible for obtaining the information above. In cases where a denial or rejection may be indicated, the Property Manager will contact the Regional Property Supervisor regarding “**Occupancy Standards**” and/or **Lease Compliance Standards**” screenings, or, the Occupancy Compliance Supervisor regarding “**Eligibility Criteria**”.

It is recommended that the Regional Property supervisor be informed of application denials or rejections because of potential vacancy issues that may require changing current advertising or other Management requirements.

Once the denial or rejection has been reviewed, the Regional Property Supervisor or the Occupancy Compliance Supervisor, as relevant, will give his/her decision in writing and return the information to the Property Manager. The Property Manager will issue a “Notice of Status of Application” (Form RS-30t) to the applicant that will state the reason for the rejection. All written responses from the Regional Property Supervisor or the Occupancy Compliance Supervisor will be placed in the applicant’s file for reference.