

RESIDENT SCREENING POLICY FOR CONVENTIONAL PORTFOLIO

Revised May 2009

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, charge-off, repossession, and current or recent delinquency.

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. 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 2.5 times the **monthly market 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 timeline identified below prior to the application date.

Offense	Felony	Misdemeanor
Crimes Against a Person or Property	10 years	5 years
Drug Related Offenses	10 years	5 years
Theft By Check Related Offenses	10 years	Approved
Worthless Check and/or Bogus Check Related Offenses	10 years	Approved
Sex Related Offenses and Terrorism Related Offenses	Declined regardless of time	
Prostitution Related Offenses	10 years	5 years
Weapons Related Offense	10 years	Approved
Cruelty To Animals Related Offenses	10 years	5 years
Any Other Felony Offense	Felony offenses that do not fall within categories above, (ex: traffic, DUI) 10 year timeframe; 5 years for felony DUI	
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.

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 12 months cumulative verifiable rental or mortgage payment history. 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
9. **Guarantors** – Guarantors will be accepted for applicants who do not meet the required rent-to-income ratio or denied on credit. 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 5 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.
10. **Animals**
 If animals are accepted at the Riverstone Residential community where application is made, no more than two animals each weighing under 25 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. See list below for animals not allowed. A \$500 deposit for the first animal, \$250 deposit for the second animal 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.



RESTRICTED ANIMAL LIST (included but not limited to)	
Breeds of Dogs:	Pit Bull Rottweiler 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 vehicle per occupant is allowed per apartment. Vehicles must be operational and have current registration and inspection. Boats or trailers are not allowed at any time.
12. **Renter's Insurance Requirement** – Riverstone Residential recommends all residents to carry a minimum of \$50,000 Personal Liability Insurance. We also recommend that you consider adding Personal Property Coverage as added protection. Although you may select any insurance provider, Riverstone has partnered with Assurant Specialty Property Company to provide a convenient, reasonable option that offers peace of mind. Attached is a brochure from Assurant Specialty Property that outlines the enrollment guidelines and answers several frequently asked questions. For additional questions about coverage, you may contact Assurant Specialty Property by calling (866) 786-1721 or visit their website at www.directrentersins.com.
13. **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.
14. **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.

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 _____

