

COMMERCIAL CREDIT APPLICATION INSTRUCTIONS



TO AVOID A DELAY IN PROCESSING YOUR COMMERCIAL CREDIT APPLICATION & TO INCREASE YOUR CHANCES OF BEING APPROVED, PLEASE REVIEW THE FOLLOWING SCREENING POLICY & MAKE SURE THAT YOUR APPLICATION IS COMPLETE & INCLUDES:

- ✓ Your signature.
- ✓ Your photo ID attached.
- ✓ Monthly income verification attached (top two pages of your most-recent 1040 tax return or Schedule C).
- ✓ If your income is hard to verify or does not meet our minimum screening requirements, please provide liquidity (retirement funds, bank accounts, securities, etc.) statements.
- ✓ Top two pages of the company's tax returns & a financial statement only if the rent is over \$1000 per month.
- ✓ If you are unable to meet any of the requirements, you may be able to still qualify with a cosigner.

TIPS:

- ✓ We do not begin processing any Commercial Credit Applications until a signed Offer to Rent, Holding Deposit & Screening Fees are received.
- ✓ Original documents are not required. Any additional supporting documents can either be emailed to screening@premiumpd.com (preferred) or faxed to 510-594-3140.
- ✓ All requested supporting documents & follow-up information must be submitted by 11:00am the next business day or your application may be denied.
- ✓ Expedited turnaround of documents will increase the chances of the Applicant getting selected for the office in the event there is competition.
- ✓ Be prepared to sign your lease & pay your move-in funds ASAP. Typically, approved applicants who submit their completed offer & applications by Monday should expect to sign their lease & pay their move in funds by Thursday or Friday of the same week. Failure to sign your lease & pay the move-in funds timely could result in being denied &/or forfeiture of your holding deposit.
- ✓ If you have any questions, please feel free to call or email:

Natalie Lewis
Screening & Administrative Assistant
510-671-0052 / natalie@premiumpd.com

Cheryl Collins Rourick
Office Manager & Screening Administrator
510-594-7460 / cheryl@premiumpd.com

They are here to help you.

WE THANK YOU FOR YOUR COOPERATION!

APPLICANT DISCLOSURES

Applicant recognizes & acknowledges receipt of the following disclosures, rights & restrictions under Federal, State & Local law: Pursuant to California law, you have tenant screening fee rights, including the right to a copy of your consumer credit report if one is obtained with your screening fee, a refund of any unused portion of the fee & a receipt of the costs of the screening. This applies protection for the applicant for any payment, including but not limited to fees, deposit, or charge. Owner/Agent may claim fees, deposit, or charge only for those amounts as are reasonably necessary for the purposes specified by the subdivision. Applicant acknowledges that the screening fee is charged to reimburse Owner/Agent for the actual costs related to screening an applicant, including obtaining a credit report, unlawful detainer search, & other screening reports (cost: \$9.45) & processing & verifying screening information (cost: ½ hour @ \$80/hour).

COMMERCIAL TENANT SCREENING POLICY



Each owner of the business applying for a commercial space must completely fill out a separate application, pay the necessary screening fees, provide all requested supporting documentation & meet our screening requirements. Please make sure you complete all sections of the Application, including the “Guarantor Information” section. Applicants who do not provide requested information or documentation by the next business day of being requested may be denied.

Prior to applying for a commercial space, please confirm that the business use is approved for the location.

Any material misrepresentation or omission made by Applicant during the screening process will result in immediate denial for the unit or will constitute a material breach of any future rental agreements.

Photo Identification

Valid government issued photo identification must be provided. Acceptable identification includes a current driver’s license, passport, &/or state-issued photo identification card. A photocopy will be retained for our records.

Personal Guarantee

Regardless if the business is separate entity, like a corporation or LLC, Premium Properties requires, with very few exceptions (i.e. Fortune 500 Company), that owners personally guarantee the rental agreement.

Business Financials

Financials for the business are only required to be submitted if the commercial space is renting for over a \$1,000 per month. In those circumstance, two years business tax returns & a financial statement must be provided. The business must be able to demonstrate that it can afford to pay the rent & that it is in good financial health.

Commercial & Residential Tenancy History

Unless it is a newly formed business, the current address of the business must be provided & verified. If the current business address is a rental, a tenancy verification will be performed. If it is owned, please provide a copy of the property tax bill or grant deed. Also, the current residency history of each guarantor must be verified.

Occasionally, owners & managers will not provide references due to change in ownership, loss of records or company policy. However, if at least one previous (not present) reference for a term of a minimum of one year is deemed positive, then Applicant may be approved.

Any negative tenancy reference will result in the Applicant being automatically denied, regardless if the Applicant believes the reference is unjustified. In addition, absolutely, no evictions may show up on the Unlawful Detainer Inquiry. Premium Properties will not investigate whether the Tenant’s position in the case was justified.

Income & Liquidity

Current personal income must be verified. Please provide the top two pages of the 1040 Tax Return or Schedule C.

The total gross income of all guarantors must equal at least three times their personal monthly rent or mortgage payment **plus** the rent on the commercial space. Otherwise, Applicant may provide liquidity information as a substitute for business income. The income of a spouse may be used to qualify.

For an applicant that has no monthly income, to qualify, he or she must provide their most-recent liquidity (savings accounts, retirement funds, securities, etc.) statement(s) showing at least 3 times the annual rent or mortgage payment plus the rent on the commercial space (one year's needed income).

A combination of monthly income & liquidity may be used to qualify, if the income has been steady. For example, Applicant is applying for a \$500 per month office rental. The applicant lives in an apartment & pays \$1,500 per month. To qualify the guarantor must earn at least \$6,000 per month. If the business is new & it only profits \$2,000 per month. If the Applicant can prove \$48,000 in liquidity, then the income/liquidity requirements will be met.

Credit

A credit report will be run through at least one major credit bureau. A credit score of at least 600 will satisfy the credit requirements.

No credit history is deemed to be considered positive credit.

The Selection Process

Premium Properties will only consider renting to Applicant if they have submitted the completed commercial applications, paid the applicable screening fees & paid the required holding deposit.

Applicants who have been qualified for a rental, but who are ultimately not selected for the unit may apply for another commercial unit during the subsequent two months, using the same applications, without having to re-apply or pay new screening fees.

Applicants who are not selected for a rental or are denied will receive their holding deposit back once the deposit has cleared our account, which is typically within seven working days. Screening fees are non-refundable.