

# TENANT SCREENING POLICY



Premium Properties & Development offers equal housing opportunities in accordance with local, state and federal housing laws. Applications submitted will neither be approved nor denied based on race, color, religion, ancestry, national origin, sex, sexual orientation, physical disability, mental condition, marital status or familial status.

Each adult applicant (married or unmarried), who plans to reside on the premises, must completely fill out a separate rental application, pay the necessary application fees, provide all requested supporting documentation and meet our screening requirements. Applicants who do not provide requested information or documentation within three days of being requested may be denied for the rental.

Any applicant convicted of a felony will automatically be denied.

Any material misrepresentation or omission made by an applicant during the screening process will result in immediate denial for their apartment or will constitute a material breach of any future rental agreement.

Please contact the respective Leasing Agent or Premium Properties before applying to determine whether the relevant property participates in Section 8 or other rent subsidy programs.

## Current Residents

**Current Premium Properties residents applying for a new apartment must still complete the necessary rental and cosigner applications but may avoid providing supporting documents or paying any screening fees, under the following conditions:**

- The residents applying for a new apartment must have been screened and qualified through Premium Properties.
- Each current Premium Properties resident must receive a positive tenancy reference from the property manager.
- The amount of income or savings provided and verified on their original application must be sufficient to meet the income requirements for the new apartment.
- If financial aid was used to qualify for the prior apartment, an updated award letter must be provided and the amount of the award must be sufficient to qualify for the new apartment.
- If a cosigner was used to qualify for the prior apartment, a new cosigner application must still be submitted indicating the new address. As long as the amount of income or savings used to qualify for the original apartment meets the income requirements for the new apartment, the cosigner will not have to submit supporting documents and their screening fees will be waived.

## **Photo Identification**

Valid government issued photo identification must be provided. Acceptable identification includes a current driver's license, passport, and/or state issued photo identification card. A photocopy will be retained for our records. Foreign applicants must provide a copy of their entry visa (I-20, H-1, etc.) and current passport.

## **Tenancy**

At least four years of residency history must be provided. In the event that the applicant has not lived in a rental property or owned their personal residence over the past four years, either prior history can be provided, a qualified cosigner or corporate guarantor may be provided, or four years of verifiable and positive tenancy references from their prospective roommates, may be used as a substitute. Any negative references by landlords will result in the applicant being denied.

Occasionally, owners and managers will not provide references due to change in ownership, loss of records or company policy. 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.

Absolutely, no evictions may show up on the Unlawful Detainer Inquiry. Premium Properties will not investigate whether the resident's position in the case was justified.

## **Employment**

Current employment must be verified. Applicants are encouraged to provide a recent pay stub with year-to-date totals or a phone number for a supervisor who can verify income. Self-employed applicants must provide their Schedule C or top two pages of their 1040 tax return for the previous year.

In order to qualify, an applicant must have worked at the same job or in the same line of work for at least one year. The exception is with students who have just graduated from either an undergraduate or graduate institution and have an offer letter for future employment. Otherwise, an applicant may provide liquidity information or a qualified cosigner as a substitute for income.

The total gross income of all applicants must equal at least three times the monthly rent. Again, liquidity or a cosigner may substitute for this. However, if a cosigner is used to qualify for one member of a group's income, then all other members of the group must qualify for their share of the rent.

Financial aid and/or student loans are considered income. The total award or annual loan proceeds will be divided by 9 months to determine monthly income.

Foreign students may use their I-20 entry visa as proof of income so long as the period of the visa exceeds the term of the lease. Alternatively, they can show liquidity in a U.S. bank showing a balance of at least 36 months' rent.

## **Liquidity**

For an applicant that has no monthly employment income, in order to qualify, he or she must provide liquidity (savings accounts, retirement funds, securities, etc.) verification of at least three times the annual rent. (One year's needed income).

A combination of monthly income and liquidity may be used to qualify, if the income has been steady. For example, an applicant is applying for a \$1,000 per month rental. The applicant makes \$2,000 per month at their job. If he or she has at least \$12,000 in liquidity, the income/liquidity requirements will be met.

## **Credit**

A credit report will be run through at least one major credit bureau. All collection accounts and public records must be either paid off or a reasonable written explanation must be provided. A credit score of at least 600 will satisfy the credit requirements. A credit score of 550 – 600, is acceptable as long as none of the creditors providing negative reference are related to housing, i.e. utility companies. If this is the case, applicant has the option to utilize the provision for credit scores under 550.

In the event, the credit score is under 550 or applicant has had a bankruptcy, an applicant can still qualify if at least one past tenancy was verifiable and positive, they have no unpaid housing related bad credit AND either resident provides a qualified cosigner, is enrolled in the Section 8 housing program, or has income of at least 5 times the amount of rent or their portion (total rent divided by number of roommates) of the rent.

In the event, applicant has had a foreclosure in the last two years, an applicant can still qualify if at least one past tenancy of at least a year that was verifiable and positive OR either resident provides a qualified cosigner, is enrolled in the Section 8 housing program, or has income of at least 5 times the amount of rent or their portion (total rent divided by number of roommates) of the rent.

An applicant must have a maximum rent and monthly debt ratio of 50%.

No credit history is deemed to be considered positive credit.

## **Cosigners**

Cosigners must provide a completed Cosigner Credit Application with their identity verified. Verification may be done either by signing the form in front of a Notary Public, sending a digital photo of them holding their ID and the signature page of the application, or visiting our office in person to sign in front of us with their ID. See Cosigner Application for details and instructions.

In order to qualify, the Cosigner typically must own real estate as their primary residence in the United States, preferably in California. This can be verified through their credit report showing a mortgage. If the home is paid off and there is no mortgage, alternative proof of ownership must be provided, i.e. property tax bill or grant deed. In the event the real estate is not being used as a residence and instead the Cosigner rents, Cosigner can provide a copy of a current rental agreement showing the current

rent received on the property. In order to avoid further income or savings requirements, the monthly rent on must equal or exceed the monthly mortgage payment.

The Cosigner's income must be at least 3 times their home mortgage payment plus the resident's rent they are cosigning for or liquidity must be 3 times the annual mortgage and rent payments. A combination of income and liquidity is also acceptable.

Cosigners must have a credit score of at least 600, with no recent (last 3 years) bankruptcies.

In the event, cosigner does not own property in the U.S., they can still qualify by instead demonstrating that they meet monthly income guidelines of three times the amount of their personal rent plus the resident's rent AND by having liquidity in the United States in amount of 3 times their annual mortgage or rent payments and the annual rent payments of the person(s) they are cosigning for. Additionally, an Unlawful Detainer Search will be run on the Cosigner to confirm that there were no evictions on record.

**In the event a cosigner is required for qualification, the cosigner must indicate, in writing, which resident(s) they are cosigning for. When the cosigner is not cosigning for all the residents applying for an apartment, the residents with no cosigner must either provide their own cosigner or demonstrate that they meet the minimum income/liquidity requirements for their portion (Total rent divided by the number of applicants) of the rent.**

### **The Selection Process**

Premium Properties will only consider renting to an applicant if they have submitted the completed rental applications for all prospective residents, paid the applicable screening fees and paid the required holding deposit.

Applicants who have provided all of the above will be selected on a first-come, first-served basis. In the event two or more groups apply at the same showing or by 11 am the next business day after that showing, the quickest to be screened and the best qualified will be selected for the rental.

For example, three groups apply at the same showing for the same apartment. All have submitted applications, screening fees and holding deposits. The next day, Premium Properties starts the screening process for all applications. During that day, no applications have been thoroughly qualified and screened. By the end of the next business day, two of the three groups have all their applications screened and meet our minimum qualifying standards. Of the two groups qualified, the group that is the most qualified will be selected for the apartment. The group who did not have all of their screening completed will not be considered for the rental.

Applicants who have been qualified for one of our rentals, but who are ultimately not selected for the unit may apply for another apartment 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.