Application Qualifications\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Below you will find an example of some basic guidelines when qualifying prospective residents:**

RENTAL HISTORY

Less than one year but more than six months **Regular**

Less than six months’ rental history **Co-Signer**

No Resident history **Co-Signer**

Four late payments in last 12 months **Denied**

Roommate as long as one roommate has one year of verifiable rental history - Regular

(You still need to verify other roommate’s resident history)

CO-SIGNER REQUIREMENTS

Co-Signer must qualify the same as residents and the co-signer qualifies on their own. Add one month of resident’s rent amount to their debt and compute ratio (do not combine the evaluation sheets)

Co-Signer must outweigh the resident’s credit IE: co-signer’s positive credit must outweigh the resident’s negative credit

If Co-Signer is needed due to resident having more negative than positive credit, resident(s) combined must not have more than 10 negative credit lines for a Co-signer to be considered

Co-Signer must have all positive credit

INCOME

**Mandatory**- 3 months’ recent pay stubs required

(If month rate does not substantiate requirement, then refer to YTD Gross Income)

**If self-employed**- Last year’s tax return or 3-6 months of personal bank statements to verify income

**Job Transfer** (if relocating from out of area), must have documented verification from employer that resident is relocating to new area and still employed

**New Job**- if on the job less than first pay period, need letter from employer verifying information

**Child Support**- Must be court ordered or show 3 months of canceled checks to count as income

**Financial Aid**- Take the housing allotment and divide by the number of months the statement reflects (normally 9 months appear on statement)

**Rental property**-if applicant has rental property and needing to show income due to debt ratio too high, resident must provide a copy of the rental agreement. We take 75% of the total rent on the agreement and add to the resident’s income (debt if on credit also still added into total debt)

**Rent Ratio**-If rent ratio to income exceeds 40% **Co-Signer**

(Resident must make at least 2 times the monthly rent to qualify for a co-signer for income)

CREDIT

Foreclosures or real estate related bankruptcy must be at least 3 years old or **DENIED**

**If mortgage is 3 times or less late in 12-month period, qualify regular**

**If mortgage late 4-5 times in 12-month period, must show in writing working with lender to try to save, short sale, or loan mod, if provided qualify with 200% security deposit**

**Rent rate must be less than current mortgage**

**Evictions**- Must be 7 years old or show satisfied or **DENIED**

(Exception: property deeded to lender in lieu of foreclosure in last two years, we will accept)

**Bankruptcy** non real estate related must be at least 2 years’ old

**No Credit found** verify social and if it’s a match then proceed as normal

**Public Records** More than 2 public records within past 2 years **DENIED**

(Court judgments, etc.)

CREDIT LINES

Look at all credit in past 2 years

Payments that are 30 or 60-day slow pay are still counted as Current. 90 days or later are **Negative**

If account is closed but a balance is still owed and payments are being made, follow the above to determine if the credit line will be counted as a **Current or a Negative**

If credit line shows a balance but no payment amount, take 3% of the total balance to determine a payment amount (If the balance is over $25,000, verify payment amount)

**Collections** if collection is within past 2 years you will take 3% of the balance to determine a payment amount for debt ratio and also count it as a **Negative.** If collection is over 2 years old, you will take 3% of the balance to determine a payment amount but it will not count as a Negative

**Charge Offs** if charge off is within past 2 years, you will only count it as **a Negative**. If over 2 years old, it will not count at all. No dollar amount is included in the debt ratio

If resident has more negative than positive credit, we will allow the resident to pay off negative accounts to bring their ratio to more current than negative. (This is only allowed if they have at least 1 current account established, all negative would be **DENIED**)

More Negative than Current credit due to medical collections -  resident ratio must not exceed 65% and a 200% security required.  (IE: resident has 10 lines of credit, 4 positive and 6 negative and if the number of negatives are medical collections that take them over the positive count, the resident may qualify with a 200% security. If in this example the resident had only 1 negative medical, they would NOT qualify due to the negatives without the medical would be 5 negatives and 4 positives therefore they would not qualify even with the 200% security deposit)

FIGURING DEBT RATIO

Rent Ratio to Income Must not exceed 40% or Co-Signer is required

Compile all payments on credit reports to determine the scheduled estimated payments

Add in one month’s rent to scheduled estimated payments for total fixed payments

Divide the gross verified income into the total fixed payments for Debt Ratio

All Current Credit resident debt ratio must not exceed 65%

More Current credit than Negative credit resident ratio must not exceed 55% or a co-signer is needed. (Co-Signer must qualify under 40% on income to rent and under 55% under monthly debt)

More Negative than Current credit due to medical collections resident ratio must not exceed 65% and a 200% security required.  (IE: resident has 10 lines of credit, 4 positive and 6 negative and if the number of negatives are medical collections that take them over the positive count, the resident may qualify with a 200% security. If in this example the resident had only 1 negative medical, they would NOT qualify due to the negatives without the medical would be 5 negatives and 4 positives therefore they would not qualify even with the 200% security deposit)

TURNING IN APPLICATIONS FOR APPROVAL

1. Cover Sheet with all items verified before submitting
2. Must have legible copy of photo id for all adults
3. Must have legible copy of social security card / verifiable document
4. If applicant has a pet(s), must have a photo of the pet(s)
5. If there is any item contingent for a property, the approval in writing must be submitted with the application when turning in for Management Approval