

# COSIGNER SCREENING POLICY



Cosigners must sign & complete a Cosigner Agreement & Credit Application. In addition, Cosigners must submit all requested supporting documentation & meet our screening requirements. Cosigners & Applicants who do not provide requested information or documentation by the next business day of being requested may be denied. Furthermore, delays may result in the applicant being cosigned for potentially losing out in a competitive selection process. Speed of approval definitely plays in an important role in getting approved for a particular rental.

On the Cosigner Application, please indicate which resident(s) you are cosigning for. **Keep in mind, while your financials will be used to qualify for only the person(s) you list, by Cosigning for one person's portion of the lease, a Cosigner is essentially guaranteeing the entire lease.** Each party to a lease is jointly & solely responsible to the agreement. 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 Resident Screening Requirement (See Resident Screening Policy)

**To Cosign, Cosigner must reside in the United State, preferably California. Cosigners must also have a social security number.**

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

**Cosigners are encouraged to review the Resident Screening Policy.**

## **Identity Verification**

Cosigning for a rental is a serious commitment & has consequence. It is vital for Premium Properties to receive proof that the Cosigner Agreement & Credit was in fact completed by the Cosigner. Proof can be provided in one of three ways:

- A selfie of the Cosigner holding up the completed Cosigner form along with a photo ID is submitted (see example) or with the application on your computer monitor.
- The Cosigner signs the form in front of a Licensed Notary Public
- The Cosigner signs the form at our office.

## **YOUR IDENTITY MUST BE VERIFIED!**

- Please attach 2 pictures (.jpg format) of: (1) A valid government-issued ID & (2) A selfie of yourself holding the application or with the application on your computer monitor.



**Only one person signing the Cosigner form must provide this proof.**

### **Employment & Liquidity**

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 the top two pages of their tax return for the previous year.

To qualify, Applicant must have worked at the same job or in the same line of work for at least 2 years. The Cosigner's income must be at least 3 times their monthly home mortgage payment plus 3 times the resident's portion of the rent they are cosigning for.

If the person, that the Cosigner is cosigning for has Financial Aid or student loans that are enough to qualify for that person's portion of the rent (Total Financial Aid Award divided by 9 months equals 3 times the monthly portion of the rent), then that will be deemed sufficient & the Cosigner's Income will not be considered in the approval process, but still must be verified.

### **Residency & Home Ownership**

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 & 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 & instead the Cosigner rents it out, 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 must equal or exceed the monthly mortgage payment.

If a Cosigner doesn't own real estate, Cosigner must provide 4 years of tenancy history. Premium Properties will conduct a tenancy verification check. Any negative references will result in immediate denial as a Cosigner. Premium Properties will make sure to let the reference know that the reference is for the applicant you are cosigning for so that they don't think that you are moving. Additionally, an Unlawful Detainer Search will be run on the Cosigner to confirm that there were no evictions on record. In addition, the cosigner must have additional liquidity, beyond what is required to be approved normally in the amount of 3 times their annual rent & the portion of the annual rent payments of the person(s) they are cosigning for.

### **Credit**

A credit report will be run through at least 1 major credit bureau. Cosigners must have a credit score of at least 600, with no recent (last 3 years) bankruptcies. The credit report will typically be used to verify home ownership as the mortgage tradeline should be listed first.