

# RESIDENT SCREENING POLICY



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 & meet our screening requirements. Applicants who do not provide requested information or documentation by the next business day of being requested may be denied for the rental.

Any Applicant convicted of a serious violent felony will automatically be denied.

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.

Keep in mind, while the screening process looks at certain things individually like tenancy history & certain things collectively like income, when there are multiple unrelated individuals renting an apartment, each individual person is ultimately responsible for the entire lease. Each party to a lease is jointly & solely responsible to the agreement. So, it is important to select roommates that will fulfill their obligations to the lease.

## 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. Foreign Applicants must provide a copy of their entry visa (I-20, H-1, etc.) & current passport.

## Tenancy

Each Applicant must provide a chronological history & contact information for the property owners or lenders of all residences for the period of at least four years. In the event Applicant has neither owned nor rented a property for the recent past four years, then applicant may provide prior residency history in order to meet four-year requirement. Premium Properties will then attempt to verify the tenancy. **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 resident's position in the case was justified.**

Occasionally, owners & managers will not provide references due to change in ownership, loss of records or company policy. However, if at least 1 previous (not present) reference for a term of a minimum of 1 year is deemed positive, then applicant may be approved. However, in a competitive situation where multiple groups are applying for the same apartment, the lack of all verified references will be considered inferior to another group with four years of positive verified tenancy history.

In the event Applicant doesn't have a previous tenancy to verify (i.e. first time or second time renter) or hasn't been a property owner with verifiable mortgage payment history, then as an alternative Applicant may provide a qualified cosigner (see Cosigner Screening Policy), verified liquidity in the amount of 36 times the amount of

their portion of the total rent being applied for (in addition, to the income requirements) or if the applicant is a foreigner, a copy of their Visa showing funds verified by U.S. Government.

## **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 exception is with students who have just graduated from either an undergraduate or graduate institution & have an offer letter for future employment. In addition, the total gross income of all applicants must equal at least three times the monthly rent. Otherwise, Applicant may provide liquidity information or a qualified cosigner (see Cosigner Screening Policy), as a substitute for employment &/or income.

Foreigners may provide a valid entry visa showing that they have proven to the U.S. Government that they have enough funds available overseas to qualify.

For an applicant that has no monthly employment income, in order to qualify, he or she must provide their most recent liquidity (savings accounts, retirement funds, securities, etc.) statement showing at least 3 times the annual rent (1 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 \$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.

Students on Financial Aid without sufficient employment history & income or sufficient liquidity may still be approved with a qualified cosigner. The Financial Aid award letter may be used as income towards qualifying the Cosigner.

## **Section 8 & Government Rental Subsidies**

For properties located in the city of Berkeley, an approved Section 8 Voucher or other government subsidy that will not expire, may be used to off-set all employment & income requirements up to the relevant payment standard at the time. However, Applicant must still qualify in all other respects & the Section 8 Program terms must be acceptable to Premium Properties before agreeing to participate in the program. In all other localities, Premium Properties is not accepting new Applicants on Section 8 or other government subsidy program due to among other things the restriction on opting out in the future.

## **Credit**

A credit report will be run through at least 1 major credit bureau. All collection accounts & 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, Applicant has had a bankruptcy or has had a foreclosure, Applicant can still qualify, if they have no unpaid housing related bad credit AND either resident provides a qualified cosigner or has savings in the amount of 36 times the amount of their portion of the rent in addition to fulfilling income & employment requirements.

Applicant must have a maximum rent & monthly debt ratio of 50% (Rent plus Monthly Credit Commitments divided by total verified monthly income.)

No credit history is deemed to be considered positive credit.

### **Current Premium Properties Residents**

*Current Premium Properties residents applying for a new apartment must still complete the necessary rental & 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 & 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 & 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 & 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 & their screening fees will be waived.

### **The Selection Process**

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

All Applicants who have provided all of the above by 11 am the next business day following a showing or if no open house on the prior business day, by the end of each business day, will be considered for the applicable rental. Any future applicants will be considered for the rental only if the initial applicant doesn't qualify. In the event two or more groups apply by the applicable deadline, the quickest to be screened, who is the best qualified will be selected for the rental.

For example, three groups apply by 11 am Monday after a Sunday open house for the same apartment. All have submitted applications, screening fees & holding deposits. The next day, Premium Properties starts the screening process for all applications. During that day, no applications have been thoroughly qualified & screened. At 3 pm on the next business day, two of the three groups have all their applications screened & meet our minimum qualifying standards. It is irrelevant who qualified first. 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 a rental, 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, which is typically within seven working days. Screening fees are non-refundable.