TENANT SELECTION CRITERIA

A P A R T M E N T P O L I C Y

Applicants will be eligible to live in properties managed by Professional Property Management, Inc. when the following requirements are met and all eligibility requirements set forth by USDA Rural Development, HUD, HOME or Tax Credit are met, if applicable:

1. Applications must be completed in full. Only completed applications will be processed. Incomplete applications will be returned for completion, therefore, delaying the possible application approval and move-in of an applicant. Applicants with zero income will not be considered for occupancy.

2. Maximum household size allowed is two (2) people per bedroom plus an additional person per 50 sq. feet of living space (living space excludes closets, stairways, kitchen, dining room, hallways and bathrooms).

   Occupancy Guidelines are as follows:
   1 bedroom apartment = 1 to 2 persons
   2 bedroom apartment = 2 to 4 persons
   3 bedroom apartment = 3 to 6 persons

   Authority may be granted to live in an over housed or under housed unit who do not meet the occupancy guidelines for a period not to exceed twelve (12) months, after which the Lease Agreement will convert to a month-to-month Lease Agreement.

   Tenants will be required to vacate when an eligible person(s) is on a waiting list or when an appropriate size unit becomes available with a thirty (30) day written notice. It will be the tenant's financial responsibility when transferring from a unit to bring the apartment to "rental condition." This includes all cleaning, painting, carpet shampooing and anything in excess of normal wear and tear. In the event the property does not have the appropriate size unit to make a tenant eligible, the tenant will be required to vacate.

3. Rental units specially designed for persons with disabilities and the applicant does not have a person in the household that needs the special design feature of the accessible unit are permitted to occupy the rental unit until management issues a 30 (thirty) day notice that a priority applicant is on the waiting list at which time the ineligible tenant must move to another suitably sized vacant unit.

4. Applicant must demonstrate the ability to pay rent, utilities, and reasonable living expenses. The following guidelines will be used to determine minimum income needed:
   a. Rent and utilities not to exceed 50% of monthly income of the household or
   b. Applicant must have adequate cash on hand or an available balance in a bank account to demonstrate the ability to pay basic rent, utilities and adequate living expenses for twelve (12) months.

5. **Applicant will be required to provide past landlord history for minimum of three (3) years. Applicant must provide full names of landlord, addresses, telephone numbers, and dates of occupancy on the Rental Application or the application will not be accepted.**
   a. **If there is no past landlord history, a notarized hand written statement must accompany the application stating this information. It must be signed by the applicant and person(s) residing with the applicant.**
   b. **If applicant's past residency has been as a homeowner, Management reserves the right to request a credit reference from the mortgage holder of the property.**

6. CREDIT HISTORY – A credit report will be run on each individual 18 years of age or older who will be residing in the apartment. A national credit-reporting agency will be processing the credit application. All credit reports will be evaluated on a percentage system based on all trade lines.
   Your APPLICATION FEE (non-refundable) will be: $14.50 per person.

TENANT SELECTION CRITERIA – CONTINUED

7. CRIMINAL BACKGROUND – A criminal background check will be run on each individual 18 years of age or older who will be residing in the apartment.

8. Applicants will be placed on the waiting list according to the date and time completed applications are received. Should the property receive an applicant defined as "*involuntarily displaced*" (refer to page 3) by USDA Rural Development or HUD, that applicant will be given priority over other applicants. Applicant must have a Letter of Priority Entitlement (LOPE) issued by USDA or HUD. Applicants who have a need for "special design features" of accessible units will be given first priority for units designed for persons with disabilities. Applicants will be notified of their status in a letter of approval prior to being placed on the waiting list.

9. Applicant must fill out all forms. Each household member must sign his/her own signature as requested on each form. Forged signatures or someone else signing for the specified household member may be grounds for ineligibility of an application or eviction of a tenant.

10. All adult household members must be present when Management requests a personal interview and must show positive identification when requested. Birth certificate or other proof of parental relationship or guardianship may be requested in order to verify eligibility for deductions for a minor child. Application may be made by other than personal appearance when written request is made to the property by persons currently residing more than fifty (50) miles from the property or from persons physically incapacitated at the time. Such condition shall require documentation.

11. All college students in Tax Credit, HUD and Rural Development properties will be required to furnish proof whether they are a full-time (five (5) months per year, twelve (12) credit hours per semester) or part-time student. All students must meet the following requirements in order to be eligible:
    a. Must be of legal age or otherwise legally able to enter into a binding contract under State Law.
    b. Must <u>not</u> be claimed as a dependent on parents' or legal guardian's tax return.
    c. The applicant must provide a notarized written statement when applicable, stating financial assistance is being provided by parents, legal guardians or others. Any such assistance may be considered as part of annual income.
    d. Student status for Tax Credit, HUD and Rural Development properties has several exceptions. Contact a Management Representative to discuss your specific situation.

12. Applicants will be required to furnish verification of persons with disability status if they wish to deduct expenses related to their disability from their income and/or if they wish to be considered eligible for occupancy in apartments designated as Elderly housing. Management's policy for verifying an individual's disability is as follows:
    a. The Rental Application requires the applicant(s) to indicate whether they or anyone in the family would benefit from special features for persons with disabilities.
    b. If yes, the applicant is advised that Management requires a document verifying disability such as a Social Security Statement or a statement from an independent third person, such as a physician, clergyman, or other person who has knowledge of the disability.

13. Any person wishing to join an existing household must make separate application and must be eligible for housing in this property as a separate household.

14. The Head of Household and the Co-Tenant (if any) must be legally of age and able to enter into a Lease Agreement. The property will not honor any Lease Agreement with an under-age or otherwise legally unable to enter into a binding contract under state law tenant.

15. An applicant will be offered an apartment of appropriate size and type. If more than one such apartment is vacant, the applicant will be given a choice. If the applicant turns down the vacancy offered, the applicant may remain at the same position on the waiting list to be offered an apartment again. If the applicant turns down the second vacancy offered, for other reasons than documented health problems or the rent exceeds 30% of your monthly income, the applicant will be placed at the bottom of the waiting list. The new eligibility date is the date the applicant turned down the second offer.

16. Rental assistance will be assigned in accordance with Exhibit 8-2 of HB-2-3560, when applicable.

17. Applicants may be ineligible if:
    a. Application is incomplete.
    b. Family composition does not conform to units available on property.
    c. Household income exceeds USDA Rural Development, HUD or Tax Credit "income limits" for the programs available on the property.
    d. Applicant provided false information necessary in the determination of eligibility.
    e. Past performance in meeting financial obligations, including past rent and credit history, and past performance shows inability to fulfill a one (1) year lease or a poor history of job stability (minimum six (6) months).
    f. Applicant has no present guaranteed income.
    g. Applicant has a record of the disturbance of neighbors, destruction of property, living or housekeeping habits which adversely affect the health, safety, or welfare of other tenants.
    h. Applicant has been convicted of a crime involving physical violence to persons or property or other criminal acts which adversely affect the health, safety, or welfare of themselves or other tenants or the viability of the property. In determining whether a certain conviction makes an applicant ineligible, Management will consider relevant information on a case-by-case basis, including but not limited to the date of the conviction, the underlying conduct on which the conviction was based, and the post-conviction conduct of the applicant.

18. Management will make reasonable accommodations and allow reasonable modifications for persons with disabilities, under the Federal Law. Modification is a physical change required to allow a person full enjoyment of the premises.

    In order to assist in optimum communications with applicants, tenants and members of the public that have sight or hearing impairments, the Management Agent will utilize the state relay service operated by "Arkansas Relay Service." The Management Agent will provide sign language interpreters for the hearing impaired if requested. Other accommodations will be available for the visually impaired, inclusive of audiotapes of company/project policies and forms. Assistance will be given for completing the application. The Management Agent provides handicapped accessible interview rooms.

TERMS:

1. *Involuntarily displaced* by having vacated or will vacate because of:
    a. A disaster, such as a fire or flood, which results in the uninhabitable condition of an applicant's unit; or
    b. Activity carried on by an agency of the United States or by any state or local governmental body or agency in connection with code enforcement or a public improvement or development program; or
    c. Action by a housing owner that results in an applicant's having to vacate his unit, where:
        1. The reason for owner's action is beyond an applicant's ability to control or prevent;
        2. The action occurs despite an applicant's having met all previously imposed conditions of occupancy; and
        3. The action taken is other than a rent increase.
    d. As a result of actual or threatened physical violence directed against the applicant or one or more members of the applicant's family by a spouse or other member of the applicant's household; or

TENANT SELECTION CRITERIA – CONTINUED

e. The applicant lives in a housing unit with such an individual who engages in violence.

Management will not discriminate on the basis of race, color, creed, national origin, religion, sex, age (except eligibility requirements), familial status, or person with disabilities in any phase of the occupancy process. The occupancy process includes, but is not necessary limited to, application processing, leasing, transfers, delivery of Management and services, access to common facilities, and termination of occupancy.

Any applicant/tenant who thinks his/her rights have been violated under the Fair Housing and Equal Opportunity laws should contact the HUD Regional Office, Attn.: Fair Housing and Equal Opportunity, PO Box 2778, Little Rock, AR 72203, or call toll free 1-800-424-8590.

*** All approved applications must be updated every six (6) months to remain on the active waiting list. ***

Head of Household Signature	Date
Co-Head of Household Signature	Date
Site Manager Signature	Date

The Fair Housing Act, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). Complaints of discrimination may be forwarded to the Office of Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Room 5204, 451 Seventh Street, SW, Washington, DC 20410-2000 or call (voice) 1-800-669-9777, 1-817-978-5900 or (TTY) 1-817-978-5595.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.
Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; fax: (202) 690-7442; or email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.