

American Residential Group

Application Approval Criteria

(Must accompany Lease Application)

- 1.) Applicant must have a social security number except in the case of a person or persons entering the United States that does not intend to work, or individuals whose passport visas restrict application for a social security card. Passports or appropriate work visas will be required as a form of identification.
- 2.) Application must be signed by all parties whose information is contained on the application.
- 3.) All persons living in the apartment over the age of 18 must be responsible parties on the lease. All responsible parties on the lease must have submitted an application for processing and approval. Persons applying together with separate credit files must fill out separate applications.

Resident History

Applicant's current residence must be verified. The current residence can be rental or owned property, or as an occupant not responsible for rental or mortgage payments (living with parents, staying with friend, etc.). Relative or friend must be verifiable as the responsible party for the rental or owned property in question. If applicant has been at current residence for less than six months, previous resident history must be verified as well. Temporary housing, such as hotel/motel accommodations, rehabilitation facility, correctional facility, or hospital, is not considered resident history.

Marginal resident history occurs when:

- 1.) two late pays past the 10th of the month in a 6-month period.
- 2.) documentation of lease violation is included in resident history, i.e. noise complaint, unauthorized pet, etc. as long as violation does not result in early termination of the lease.
- 3.) applicant left a previous residence with an outstanding balance that has since been paid.

Bad resident history would constitute an automatic denial and would include the following:

- 1.) applicant is currently delinquent with rental or mortgage payment
- 2.) applicant has been evicted in the last three years
- 3.) applicant has more than three late pays after the 10th of the month in the last twelve months.
- 4.) applicant has left a previous residence with an outstanding balance for rent or damages.
- 5.) Applicant was asked to vacate a previous residence because of a lease violation.

Employment

Employment must be local, verifiable, and with a gross income level of 3.5 times the monthly rent with a \$100 margin allowable. Self employment can be verified through a Certified Public Accountant, W2 form, previous year's tax records, or a computer generated check stub. Applicant may still qualify if he/she is not employed but has verifiable income from other sources such as social security, pension, trust fund, alimony or child support, or funds in the bank sufficient to pay the entire lease term.

Marginal employment occurs when:

- 1.) income level is less than the required ratio.
- 2.) applicant is not employed as in the case of a full time student, unless there is a letter verifying grants and student loans can be used.
- 3.) applicant relies on commissions for income qualification.

Credit

Credit is acceptable when the applicant has no credit history or all accounts are paid as agreed for a period of two years. Negative credit that originated more than two years ago will not be considered when qualifying an applicant.

Marginal credit occurs when:

- 1.) applicant has three or more accounts of slow pay or bad credit with a cumulative amount of over \$1000 and a rating up to level 7 within the last two years. Credit would also be considered marginal if the *only* credit the applicant has reflects slow pay.
- 2.) paid collection accounts will not be considered marginal unless those accounts are with previous landlords and within the last two years.
- 3.) negative credit involving student loans or major medical expenses will not be considered cause for a marginal rating in credit.
- 4.) Bankruptcy within the past five years will be considered negative credit if items included in the bankruptcy indicate a pattern of irresponsible financial management, i.e. numerous small amounts to various credit cards and department stores will result in a marginal credit rating. Bankruptcy initiated due to the burdens of extensive medical bills will not be considered negative credit. Bankruptcy including a residence will result in a marginal credit rating unless the loss of residence is due to medical reasons. Verification of items included in the bankruptcy will be required. Negative credit subsequent to, or not included in the bankruptcy proceedings will be considered when qualifying an applicant.

Negative credit information in excess of the above stated parameters will be cause for denial of the application.

Automatic Denials

- 1.) Fraudulent information provided on application.
- 2.) No applicant (occupant or Lease Holder) may have received deferred adjudication for, or have been convicted of, a felony offense of any kind. No applicant (occupant or Lease Holder) may have received deferred adjudication for, or been convicted of a misdemeanor of a violent crime against persons within the previous ten years. No applicant (occupant or Lease Holder) may have been convicted of, or received deferred adjudication for a misdemeanor of a property, assault/battery, drug possession, a misdemeanor of a sexual nature, or a weapons nature within the previous three years. Consult with your Regional Supervisor for direction in situations not included above.

Cosigner applicants must meet the same criteria as the applicant except that income level must qualify them to pay his/her rent as well as that of the applicant. Roommates and ARG employees may not be guarantors.

Roommates must each qualify for half of the monthly rent. If one roommate is denied, the other roommate's application is cancelled. If one roommate is marginal, and requires a double deposit or guarantor, both applications should be processed completely and options offered the marginal roommate for approval. An approval code or completed report on the qualifying roommate would not be returned to the property until the marginal roommate has paid the extra deposit or obtained an approved guarantor.

Marginal Actions may be approved with a guarantor or double deposit if only one category is marginal. Deposit specials in this case would not apply. The applicant must pay double the regular deposit requirement. Double deposits must be paid by Cashier's Check or Money Order. Two marginal categories will be accepted only with a guarantor.

Pet Policy Addendum states that up to 2 pets may be allowed in apartment however there are limitations to the pet heights and weights. All pet heights are limited to 18 inches and a single pet may not exceed 40 pounds and two pets should not exceed a combined weight of 60 pounds. (Pet Deposits, Non-refundable Fees, and other policies are supplied on the Pet Policy Addendum which must accompany this form and the Lease Application.)

Applicant _____ Date _____

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(Signed copy of the Approval Criteria and the Pet Policy Addendum must accompany Lease Application)