

APPLICANT SCREENING CRITERIA**A - APPLICANT SCREENING OVERVIEW****1. Purpose.**

We offer the following applicant screening criteria information so that all applicants will have available to them a detailed understanding of the rental qualifying policies of Real Equity Assets, Inc. If you have any questions about the information in this document, please contact our office at 619-238-7325

B - APPLICANT SCREENING CRITERIA

Your verified identity, credit history, rental history, current income/ reserves and any criminal background will all be reviewed thoroughly prior to completing your screening as a prospective resident. The following rental screening criteria guidelines describe the parameters of the screening requirements.

1. General Requirements and Background check.

Positive identification with a valid government issued identification from the list noted within the screening process. A complete and accurate rental application listing a rental history reference for previous 12 months is required. All applicants must be eighteen years of age or older. Emancipated minors must show legal proof. Inaccurate or falsified information will be grounds for denial. A criminal background check will be processed on each applicant. Any applicant with previous felony convictions will be denied. An individual, who may pose a threat to the health or safety of other individuals, this property, or the property of others, will be denied.

2. Credit Requirements.

A credit report will be processed on each applicant. Any combined amount of outstanding bad debt (i.e. outstanding collections without documented resolution identified from a debt resolution company) reported over \$1,500.00 will require a guarantor. More than Three (3) unpaid and unresolved collections, (i.e. settlement statements from debt resolution companies) or outstanding bad debts reported within the last 3 years, regardless of amounts, will require a guarantor. Chapter 7 Bankruptcies discharged within three years from the date of application will require a guarantor. Chapter 13 and Chapter 11 bankruptcies that have successfully completed the trial period, within 5 year will require a deposit of (2) times the value. Beyond the (5) years, we will use your credit score to determine deposit requirement. An applicant who has not established enough credit to produce a Trans Union credit score, will be recognized as having a qualifying fico score near the National average of 682 , provided they meet the income / reserve and rental history requirements, and have no derogatory credit remarks within the last 3 years. An applicant, who does not meet the credit requirements, but meets the rental history and legal background check requirements, will be required to have a qualified Guarantor meet the screening criteria. To qualify as a guarantor, the guarantor must be a resident of California or own property in San Diego, complete an application, pay the non-refundable screening fee, and meet all noted criteria.

(Note: Income from the Guarantor must be three times the amount of rent) and Guarantor must sign all required paperwork and have identification verified before the resident takes possession of the rental unit. Rental History is not required of Guarantor.

APPLICANT SCREENING CRITERIA**3. Income or Reserve Requirements.**

Monthly household income is recommended, but not required, to be at least three times the stated monthly rent. If monthly household income is less than three times, please refer to breakdown below for requirements. A current paycheck stub will be required if we are unable to verify income or reserves via fax or phone. Verifiable income assistance or reserves will be required for applicants who are unemployed. (Verifiable income may mean, but is not limited to, bank accounts, alimony / child support, trust accounts, social security, unemployment and public assistance, or grants / loans). Self-employed applicants will be required to show proof of income through either copies from the previous two-year's tax returns, profit and loss statements or (4) months consecutive bank statements. Applicants will be denied if their amount of income or reserves cannot be verified. If applicant does not meet income requirements, they may meet calculated requirements with verifiable reserve funds. See below for the requirements of verifiable reserve funds.

Verifiable Gross Income/ Reserves**Income/ reserve requirement status**

--Greater than 3 times monthly rent

income approved, see Fico score for deposit req'ts

--Between 2 and 3 times monthly rent

income approved, deposit to be 1 ½ times monthly rent

--Less than 2 times rent, but verifiable reserves are greater than 24 times monthly rent

reserves approved, see Fico score for deposit req'ts

--Less than 2 times rent, and verifiable reserves between 12 and 24 times monthly rent

reserves approved, deposit to be 1 ½ times monthly rent

--Less than 2 times rent and less than

applicant Denied, unless Guarantor meets the requirements 12 months verifiable reserves

4. Employment Requirements.

Verifiable current income with at least 6 months previous and continuous income will be required, unless you elect to use a Guarantor that meets their requirements or unless the applicant meets the minimum verifiable reserve requirements. Self-employed applicants will be verified through the state/city licensing agencies. A recorded business name/ corporate filing will suffice for self-employment requirements. An additional security deposit equal to one month's rent with the total deposit not exceeding twice the rent will be required when income doesn't meet the income criteria, unless applicant meets minimum verifiable reserve requirements.

5. Rental History Requirements.

One year of contracted rental history from a third party reference will be required within the past 4 years from the date of application. A security deposit equal to a minimum of 2 times the monthly rent or a guarantor will be required when rental history does not meet criteria. Home ownership will be verified through the appropriate county tax assessor's office. Mortgage and property tax payments must be positive to reflect a positive rental history for home ownership. An Unlawful Detainer, eviction or other similar derogatory remarks will result in denial. Rental history reflecting damage of less than \$500.00 damage will require an additional security deposit equal to one month's rent (if the debt is settled). Rental history reflecting more than \$500.00 of rental property damage will be denied (regardless of settled debt). Three or more NSF checks or two or more "pay rent or quit" notices within a one year residency will result in denial. Rental history reflecting past due rent exceeding \$500.00 will result in denial, unless the debt is settled and the previous manager would re-rent to the applicant.

APPLICANT SCREENING CRITERIA***C – TENANCY, TERMS AND POLICIES*****1. Disabled Accessibility Policy.**

The management group allows existing premises to be modified at the expense of the disabled person, if the disabled person agrees to restore the premises at his own expense to the pre-modified condition. We require:

- a. Written proposals detailing the extent of the work to be done.
- b. Written assurances that the work will be performed in a professionally by a licensed/ bonded contractor.
- c. Written approval from the landlord before modifications are made.
- d. Appropriate building permits and required licenses made available for the landlord's inspection.
- e. A restoration deposit may be required per Fair Housing guidelines.

2. Smoking Policy.

Smoking substances WITHIN an apartment unit is NOT permitted, and shall be considered a breach of the lease agreement, and grounds for immediate eviction. Smoking legal substances outside of the unit on the premises is acceptable, provided proper disposal of debris and garbage generated by the smoking is performed.

--- There are NO WARNINGS for violating our smoking policy. ---

3. Occupancy Policy.

Occupancy is based on the number of bedrooms in an apartment home. A bedroom is defined as a space within the premises that is used primarily for sleeping, with at least one window and a closet space for clothing. Maximum number of occupants allowed (including children) per apt. type. Studio = 2 max; 1 bdrm = 3 max; 2 bdrm = 5 max.

4. Tenancy.

Tenancy will be on a month to month basis, after an initial (3) month minimum lease period has been completed and was maintained in good standing by the resident within the parameters of the tenancy agreement.

5. Tenants Additional Duties.

In addition to adhering to the General Housekeeping Rules that are described in detail within the rental agreement, the tenant also understands that the following actions will be the responsibility of the tenant.

- a) Distribution of this particular tenant's garbage to Black plastic garbage bins.
- b) Distribution of this particular tenant's recyclable materials to the Blue plastic bins.
- c) Weekly moving of plastic bins to and from City Street from the property for pick-up.

6. Rejection Policy.

If your application does not meet the minimum screening requirements of the rental criteria due to negative or adverse information being reported, you may:

- a. Request a copy of your consumer credit report or
- b. Request a correction of the information from the agencies noted in the rejection notice if you deem said information to be inaccurate

APPLICANT SCREENING CRITERIA**D – DEPOSITS****7. Holding Deposits**

If, after approval of the prospective tenant's rental application, credit report, and background check, the prospective tenant decides they want to reserve the desired apartment unit, initially, before renting it. They would then submit a holding deposit (cash, cashier's check or money order) to the Landlord/ manager and execute a holding deposit agreement with the Landlord/ or manager, in order to reserve the particular rental unit in their name, until the move-in date (not more than 30 days). This holding deposit is NOT an additional cost. It is simply a portion of the total move-in cost received upfront to reserve the rental in your name, provided the new tenant(s) move forward with executing the 3 month lease term satisfactorily, prior to the expiration of the reservation period. At the signing of the 3 month rental agreement, the holding deposit previously received is credited against the total calculated move-in cost for the new tenant, and is reflected within the rental agreement.

The holding deposit becomes non-refundable, ONLY IF, the approved and selected perspective tenant(s) elects NOT to move forward and execute the 3 month rental agreement, within the timeframe noted in the Holding Deposit agreement (typically less than 30 days). The non-refundable portion is determined by multiplying the daily rental rate (derived by dividing the monthly rent by 30) multiplied by the number of days the unit was taken off the rental market. The balance remaining of the perspective tenants' holding deposit, if applicable, would then be refunded to that tenant with 7 days of confirmed cancellation.

8. Pet Policy, additional deposit, Duty of tenant. Care Regarding tenants' Duties

If pets are allowed for a particular that property, our policy is as follows. The following ADDITIONAL security deposit amounts apply if management has approved your pet.

1 cat	\$100 additional deposit
2 cats	\$300 additional deposit
1 dog (less than 30lbs.)	\$300 additional deposit
2 dogs (each less than 30lbs.)	\$500 additional deposit
1 MEDIUM dog (30 to 60 lbs.)	\$400 additional deposit
1 LARGE dog (greater than 60lbs.)	\$500 additional deposit
<u>2 MEDIUM DOGS (greater than 30 lbs. each)</u>	<u>\$700 add'l deposit & Subject to Mgmt Review</u>

PROHIBITED DOG BREEDS AT ALL MULTI-UNIT RENTALS (> THAN 2 UNITS ON THE PROPERTY):

Our property insurance policy currently prohibits the following breeds of dogs on our premises greater than 2 units. The following breed restrictions apply to both pure and blended breeds of dogs.

1-Akita 2- Alaskan Malamute 3- American Pit Bull Terrier 4- American Staffordshire Terrier
 5-Wolf hybrids 6- German Shepherds 7- Doberman pinscher 8- Rottweiler 9 –Presa Canario
 10- Dalmatian 11- Rhodisian Ridgeback 12- Saint Bernard 13- Australian Cattle Dog
 14- Bullmastiff 15- Dogo Cubano 16- Shar Pei 17- Indian Bullterrier 18- Chow Chow
 19- Bordeaux Bulldog 20- Tosa Inu-Tosa 21- Cane Corso 22- Indian Mastiff

APPLICANT SCREENING CRITERIA

Pets must be older than 6 months, weigh no more than the qualified weight noted above full grown and must have proof of all pet shots, **must be spade/ neutered** and are subject to management approval if the pet went beyond the weight limits indicated above. All residents with pets are required to have a pet agreement on file and must submit a veterinarian statement (no more than 12 months old) establishing the general good health of the pet and the status of all required shots and licensing. A photograph of the pet will be made part of the lease agreement (pets designated as service animals to accompany a tenant with a verifiable disability for the purpose of aiding that person are exempt from this policy.) Only cats and/ or dogs are permissible pets. Birds, Ferrets, Fish, reptiles and their corresponding enclosures, and any other animals not specified above are NOT permitted. 3 or more pets are NOT allowed. 2 medium sized dogs or larger must get specific approval from management. A larger deposit may apply in those situations.

TENANTS MUST MANAGE THEIR PETS:

Tenants' Pet(s) must NOT: -- make persistent nuisance noise that disturbs neighbors, (i.e. uncontrolled barking etc.), -- poses a physical threat to neighbors or other pets, -- destroys property, landscape or vegetation, -- or leaves rental unit or property grounds soiled with unsightly waste and/or odors -- or prevents private or state agencies from performing their services. If tenant cannot manage their respective pet(s) within the parameters of these stated conditions, then tenant would be considered in breach of contract and subject to eviction proceedings.

9. Security Deposit.

Regardless of the above policies, the security deposit required for any unit will never exceed the of two month's rent for the unfurnished apartment being considered, or three month's rent for the same furnished. The security deposit and the first month's rent MUST be in the form of a cashier's check, money order or cash made payable to Kreigan Brink. No personal check or credit cards will be accepted for the initial move-in payment. The security deposit requirement is as follows:

Note: The additional deposit requirements due to the tenant's approved pet(s) are NOT included within Security Deposits Values based upon average Combined FICO scores. They are in additional to the basic security deposit.

(THE AVERAGE COMBINED FICO SCORE FROM ALL APPLICANTS FOR THAT RENTAL IS USED)

<u>FICO Credit Score</u>	<u>Security Deposit value required</u>
720 and above	\$200 less than the monthly rent
From 680 to 719	same as monthly rent
From 640 to 679	\$200 plus monthly rent
From 600 to 639	1 ½ times monthly rent
Below 600**	Guarantor*** required

***Guarantor is similar to Co-signer

** If average FICO is within 5 points of 600, discuss options w/mgmt

If Guarantor is required, we will use 50% of their gross income and their average fico score for qualification purposes. FICO Score is a Trans Union calculated FICO provided by the Applicant screening service provider we have contracted.

APPLICANT SCREENING CRITERIA

E – SPECIFIC TO ADVERTISEMENT

1. Rental Unit and Rental Rate.

The address and daily rental rate for this particular unit is: Available Unit's

Address _____

Monthly Rent \$ _____ / 30 = Daily Rental Rate \$ _____ per day

2. Move-in Specials.

Please contact Real Equity Assets, Inc. at 619-238-7325 concerning any Move-in Specials that are currently being offered.

- BE ADVISED:**
1. Incomplete, inaccurate, or falsified information will be grounds for denial.
 2. Any applicant that is a current drug abuser or addicted to a controlled substance or has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance shall be denied.

I (WE) HAVE READ ALL FOUR (4) PAGES OF THE ABOVE AND UNDERSTAND THE BASIS FOR CONSIDERATION OF MY (OUR) APPLICATION.

Applicant's Signature _____ Date: _____

Applicant's Signature _____ Date: _____

Applicant's Signature _____ Date: _____

In compliance with State and Federal Fair Housing Guidelines, the management or owner, does NOT discriminate on the basis of race, creed, color, ethnic background, religion, sex, familial status, disability, national origin, nationality, citizenship, or sexual orientation