

## POLICY AND PROCEDURE

Date Issued: August 5, 2020

Number: 20200805-RHC-001

Page 1 of 3

Community: Rosewood Homeowners Cooperative

Subject: Cooperative Screening Criteria Policy

Approved By: The Board during the August 5, 2020 Board meeting.

### PURPOSE

Rosewood Homeowners Cooperative offers stable long-term housing for moderate to low income people. The initial lease term is fifty years and is intended to offer security to the individual members, as well as the membership. It is important to the membership as a whole for new applicants to be carefully screened.

Applicants will be thoroughly screened for income, credit, criminal, eviction and references will be checked. Applicants need to demonstrate via these checks (and possibly additional information provided by the applicant) that the applicant(s) can pay the space lease on time, maintain their home and space, be a safe and responsible neighbor, and be an active participant as volunteer activities are needed.

Because there is a high cost to the cooperative to remove a member that does not succeed in compliance with the lease agreement or the park rules the minimum screening criteria is as follows:

**Credit History** - The following items may disqualify acceptance of an applicant:

- Credit score must not fall below 640, as per the Cooperative Bylaws 3.1(3)(c). Credit scores are provided by Trans Union.
- Current unpaid collections, judgments, and tax liens.
- Bankruptcy reports will be taken into consideration. Applicants with a bankruptcy are encouraged to include a written explanation with the application to assist in the decision-making process.
- If the credit score is not scored because the applicant has zero credit or very low credit, applicant can still be accepted with condition based on their excellent rental history.

**Criminal History** - A criminal background check is required for all applicants.

- Applicants with a criminal history are encouraged to include a written explanation with the application to assist in the decision-making process. The explanation should include the nature of the conviction, how long ago the conviction occurred and where the conviction occurred.
- Applicant will be evaluated on the following qualifications; the proposed member and the household occupant are not an individual who may constitute a direct threat to the safety of any individual, the Community, or the property of others; and

- The proposed member and any household occupant are not a current illegal substance abuser and does not have a history of violent or drug-related crimes.

### **Landlord Reference(s)**

- Requires a minimum of 2 years positive unrelated landlord reference(s).
- Applicants with no previous rental history; previously owned a home, or lived with relatives, may use personal references of next-door neighbors or will need to prove the ability to pay the rent and not disturb neighbors.

### **Prior Eviction Record** - The following items may disqualify membership acceptance:

- An eviction in the last three years. Extenuating circumstances will be reviewed.
- Evictions more than three years but less than five years ago will also be considered but are not automatic denials. Consideration will be given for good credit and rental references for older evictions. As with all criteria, you may submit a written explanation with your application for an exception to be considered.

### **Personal References(s)**

- A minimum of two personal references selected by the applicant. Personal references cannot be related to the applicant.

### **Income**

- Stated income must be verified in writing. Applicants must be able to show stable employment for at least two years, with no gap in the employment history.
- Verification may include: pay stubs, verification placed on company letterhead, letter of benefit assignments, and/or tax statements.
- Self-employed must provide two years of tax returns to verify income.
- Valid income types include, but are not limited to Wages, Salaries, Tips, Social Security Benefits, Retirement, Pension or Saving Accounts, Stocks or Bonds. Applicants may choose to prove additional income from social assistance (i.e. TANF, Oregon Trail Card, etc.) to help.
- Demonstrate an acceptable debt to income ratio.
- Total combined monthly income must be at least 3X the amount of monthly space rent and house payment. (e.g. \$200 house payment + \$300 space rent = \$500 X 3=\$1,500 monthly income). Income shall be about three times the space rent and house payment.

### **Income Limit**

Below 80% AMI for Douglas County. Exceptions may be available.

**Pet** – Two pet maximum - see also Section 4 of the Rules for Pet requirements.

- Applicants should disclose all pets that will be coming with them to the park. You may be asked to bring your pet to an interview so the board may meet and verify the demeanor of your pet(s).

### **False Statements**

- An applicant's application may be denied in the event the applicant provides false or misleading information to the cooperative, or the cooperative's property manager, in association with their application for membership.

### **Interview**

- The Board reserves the right to request an in-person or phone/virtual interview with the applicant to discuss any questions the Board may have regarding applicant's application.

**Fair Housing: Rosewood Homeowners Cooperative is an equal housing provider and recognizes the protected classes of race, color, national origin, religion, gender, familial status, disability, marital status, source of income, sexual orientation including gender identity, and domestic violence victims.**

