

POLICY AND PROCEDURE

Community: Two Rivers Homeowners Cooperative

Subject: Screening Criteria Policy and Procedure

Approved: February 26, 2024



This policy and procedure replace any prior policies previously adopted or approved by the Membership or the Board of Directors (or that are in conflict with this policy).

PURPOSE

Two Rivers Homeowners Cooperative offers stable, long-term housing for low to moderate income individuals and families. The preferred lease term is perpetual. This term is intended to offer security to the individual Members, as well as the Membership. It is important to the Membership, collectively, that new applicants to be carefully screened.

An Applicants' income, credit, criminal history, eviction history and references will be thoroughly screened by the property management company at the direction of the Board of Directors. Applicants need to demonstrate via these checks (and possibly additional information provided by the applicant) that the applicant(s) are financially able to pay the lot space lease rent on time, maintain their home and space in the manner the cooperative determines, be a safe and responsible neighbor, and be an active participant when volunteers are needed for activities and to serve on a committee.

This is a senior community and families with children are not permitted. The “member” of the household must be fifty-five (55) years of age or older. There is no exception in the bylaws to allow younger people.

Because there is a high cost to the cooperative to remove a member that fails to remain in compliance with the Space Lease and/or the Community 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 **650**, as per the Cooperative Bylaws 3.1(3)(c). Credit scores are provided by one of the following credit reporting agencies: TransUnion, Equifax, or Experian.
- Current unpaid collections, judgments, and tax liens (except those unpaid collections and judgments related to unpaid rent occurring between April 1, 2020 and February 28, 2022),
- Bankruptcy reports will be taken into consideration. Applicants who have filed for and received a bankruptcy judgement are encouraged to include a written letter of explanation with the application in order to assist in the decision- making process.
- If the credit score is not scored because the applicant has zero credit or very low credit, the applicant can still be accepted with exceptions 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 and severity of the conviction, how long ago the conviction occurred, where the conviction occurred, the age of the applicant at the time of the incident giving rise to the conviction and any other extenuating circumstances.
- Applicant will be evaluated on the following qualifications: the proposed member and the household occupant(s) are not someone 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(s) are not a current illegal substance abuser(s) and do(es) not have a history of violent or drug-related crimes.

Landlord Reference(s)

- Requires a minimum of 2 (two) 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, except for evictions that arose after April 1, 2020, but before March 1, 2022.
- Evictions more than three years but less than five years ago will also be considered. 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 (2)* (we recommend three) personal references selected by the applicant. Personal references **cannot** be related to the applicant. Neighbors are the preferred references especially for those without landlord references.

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 provide 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. \$500 house payment + \$750 space rent = \$1250.00 X 3=\$3750.00 monthly income). Income shall be about three times the space rent and house payment.

Income Limit

- At or below 80% AMI for Clackamas County. Limited exceptions may be available.

Pets - please review Section 5 of the Community Rules for more information:

- Two domestic household pets only; defined as dogs, cats and any pet normally kept in a bird cage, terrarium, or aquarium (fish, turtle, etc.). Animals are to not weigh more than twenty-five pounds.
- Applicants need to disclose all pets that will be coming with them to the park. Applicants may be asked to bring their pet to an interview so the board may meet and verify the demeanor of the applicant's pet(s).
- Dogs are to be leashed in common areas and contained in the residence space.

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 the applicant's application.

Procedure

Applicants should begin the membership application process by visiting www.coopmgt.com and first reviewing the cooperative's Screening Policy and Procedure, the Community Rules, Bylaws and the Lease. Applicants may then apply using the "apply link". Once the application has been completed online for all adult occupants, including paying the fee, then the property management company will begin the screening process.

Once the screening process is complete, the property management company will create an application summary and deliver it to the cooperative board via email recommending either approval or denial of the application.

Approval: If the property management company recommends approval of the application and the applicant (and all additional occupants) meet all the screening criterion listed herein, and in the

Bylaws section 3.1, the property management company may proceed with approving the application if there are no board objections to the property management company's recommendation of approval received within 24 hours of emailing the application summary to the Board. If there is an objection from the board regarding the application recommendation or the applicant does not fully meet all the screening criteria, then the board must formally vote on whether to approve the applicant.

Denial: If the property management company recommends denial of the application and there are no board objections to the property management company's recommendation of denial received within 24 hours of emailing the application summary to the Board, then the property management company may deny the applicant.

Appeal: An applicant may appeal to the Board of Directors a denial by making that request via email to the property management company and including any additional documents or information that the applicant believes will strengthen their application for said review. The board process for reviewing an appeal may take up to thirty (30) days. The applicant recognizes that the seller is independent of the cooperative and may or may not be willing to hold the unit during the appeal process.

Fair Housing: Two Rivers Homeowners Cooperative is an equal housing provider. We do not discriminate based on race, ethnicity, color, national origin, sex, religion, gender identity, familial status, disability, marital status, domestic partnership, source of income, Section 8, sexual orientation, or domestic violence victims (including assault & stalking) in the approval of our members.

The foregoing is a true and accurate account, attested by, Janet L Hoagland, Janet Hoagland, Secretary on 4/5/24 (date)