


# RIVERSTONE

RESIDENTIAL

## RESIDENTIAL RENTAL CRITERIA REVISION AS OF 06/01/09

  
Approved By \_\_\_\_\_

It is Riverstone Residential policy to actively pursue and offer equal housing for all persons regardless of race, color, religion, sex, national origin, handicap or familial status.

**Beverly Arnaz** requires all residents to meet the following Rental Criteria:

### POLICIES

- All persons leasing an apartment must be of legal age to sign a contract. Applicant must be 18 years or older or an emancipated minor. An emancipated minor is a person less than 18 years of age who is or has been married, is on active military duty or has a court-issued emancipation order. All applicants 18 years and older must be included as a leaseholder.
- A credit report will be processed on all applicants to verify account credit ratings. Riverstone utilizes a credit screening company, Credit Retriever, where income plus verified credit history will be entered into a credit scoring model to determine rental eligibility and security deposit levels. Unfavorable accounts which will negatively influence this score include, but are not limited to, collections, charge-offs, repossession, and current or recent delinquency.

Riverstone Residential. also performs verification of identification, rental history and income/employment history for each applicant. A satisfactory criminal background check of all prospective occupants 18 years and older, except for those apartment communities located in California, and an eviction check of each applicant must be completed before final approval consideration is given.

Additional Deposits will be required for all LOW ACCEPT and CONDITIONAL ACCEPT Credit Recommendations, as specified in Clause 14 of this document.

A REFER Credit Recommendation occurs on applicants with little or no credit history. In such cases, additional identification and credit/income Verification standards must be met. If these criteria are met, an additional deposit will be required. If an applicant receives a REFER Credit Recommendation due to a "High Risk Collection" result, only the District Manager may approve with sufficient proof that this apartment related collection has been satisfied.

- If there are two or more applicants, a joint credit report will be run. Joint reports weigh the combinations of income and risk amounts, or the aggregate score, of all the applicants' ability to pay the total rent.
- **Income Verification** or other approved documentation is required before the 72 hour cancellation period has ended by providing Riverstone Residential. two consecutive pay stubs from the last 60 days or an offer letter on employer letterhead stating starting salary, start date and terms of employment (ie full-time, length of contract, etc). The income to rent ratio must be 2.5 to 1 to qualify.

- **Applicants Without an Established Credit and/or Rental History Policy:** Applicants who have not yet established credit and/or rental history can be accepted provided applicant obtains a qualified co-signer/guarantor.

**Refer Recommendation:** For a person who has not yet established a credit file, or has very little credit on file, the Credit Retriever recommendation may be a 'Refer.' The following items are required to verify identification and credit-worthiness, and an additional deposit or a co-signer may be required:

**Identification**

- A passport  
Or
- a government issued identification card  
Or
- driver's license

**Credit/Income Verification**

- Employment offer letter stating term of employment and starting salary and a bank statement, foreign or domestic, showing funds in the amount of the entire lease obligation  
Or
- A Letter of Credit in the amount of the entire lease obligation from applicant's bank.

- **Liquid Assets:** A self or non-employed applicant can be accepted provided the applicant supplies proof of liquid assets (i.e., bank statements, mutual fund account statements) greater than 1 year's rent.

- **Rental History Verification** is required prior to move-in. Rental history will be verified by Riverstone Residential. Applications will be declined for the following reasons for any occurrence within the last 12 months:

- an outstanding debt to a previous landlord;
- an outstanding NSF check;
- a breach of a prior lease and/or
- more than 2 late pays and 1 NSF.

The following reason will result in a decline, as confirmed through CreditRetriever:

- a prior eviction of any applicant or occupant within the last 24 months of date of application.

- **CRIMINAL HISTORY-** All occupants 18 years of age and older will be checked for criminal history, except for applicants to apartment communities located in California. The history must reflect:

- no felony convictions (no time limit);
- no sex offender or sex-related convictions (no time limit);
- no terrorism-related convictions (no time limit);
- no prostitution-related convictions (10 years from date of application);
- no convictions for the possession, manufacture or distribution of controlled substances or possession with intent to sell or distribution of controlled substances (felony or misdemeanor for past 10 years from date of application);
- no cruelty to animals-related convictions (10 years from date of application);
- no pending indictment or deferred or withheld adjudication for a felony (10 years from date of application); and

- no conviction or pending indictment or deferred or withheld adjudication for a misdemeanor crime against a person or property (10 years from date of application).
- No “Active Status” on “Probation” or “Parole” for any of the above stated convictions.

When applicants have not lived in this State for the last 24 months, we will endeavor to check criminal history for the previous States of residence over the last 7 years.

Please remember that this requirement does not constitute a guarantee or representation that residents or occupants currently residing in our community have not been charged with or convicted of a felony, deferred adjudication for a felony or misdemeanor crime against a person or property. There may be residents or occupants that have resided in our community prior to this requirement going into effect. Additionally, our ability to verify this information is limited to the information made available to us by the resident credit reporting services used and other factors.

- **ID Verification:** a government-issued photo ID is required at move-in.
- **Co-signer Acceptance** – An applicant may be eligible to be accepted for residency with a co-signer only under the following conditions:
  - The co-signer must meet the entire original qualifying criteria as set forth in the Residential Rental Criteria, with one exception. For a co-signer, the Income to Rent ratio is 4 to 1.
  - All applicants must meet income requirements, except applicants who have not yet established credit and/or rental history.
  - A co-signer may not be used due to an unfavorable credit rating – only lack of credit.
  - The co-signer must complete an application and submit an application fee for processing.
  - The co-signer must receive a Credit Retriever Recommendation of Accept, Low Accept or Conditional. (A credit application is always run on applicants, even with a co-signer.) An additional deposit may be required, based on the Recommendation received.
  - The co-signer must be a current U.S. resident.
  - The co-signer must sign the Co-Signer Addendum. If not present at move-in, the Addendum must be notarized and received on or before move-in day in order for applicant to receive keys.
- **Additional Deposits:**
  - A Credit Retriever recommendation of Low Accept will necessitate an additional deposit of one month’s rent in addition to the standard deposit.
  - A Credit Retriever recommendation of Conditional will necessitate an additional deposit of two month’s rent in addition to the standard deposit.
- **Applicant with no Social Security Number:** Applicant will be processed through Credit Retriever using the International applicant form; pay an additional deposit based on the recommendation or will be accepted provided the applicant obtains a qualified co-signer/guarantor. Applicant must also provide the following:

**Identification**

- A passport  
Or
- a government issued identification card  
Or
- driver’s license

**Credit/Income Verification**

- Employment offer letter stating term of employment and starting salary and a bank statement, foreign or domestic, showing funds in the amount of the entire lease obligation  
Or
- A Letter of Credit in the amount of the entire lease obligation from applicant’s bank.

An applicant using a false or invalid Social Security Number or with SSN irregularities (SSN has been associated with misuse), will be declined.

- Resident agrees to maintain, at Resident’s sole expense during the term of the lease and any subsequent renewal periods, a policy of personal liability, issued by a licensed insurance company of the resident’s choice, which provides limits of liability in an amount of \$100,000 per occurrence.
- **Maximum Occupancy per Apartment:**

Unit Type	Occupants
Studio	2
1 Bedroom/1 Bath	3
2 Bedroom/1 Bath	5
2 Bedroom/2 Bath	5
3 Bedroom/2 Bath	7
4 Bedroom/2 Bath	9

- **Vehicle Regulations** – Recreational or commercial vehicles are not allowed unless such an area has been designated by the management. Parking space is limited; therefore, the number of vehicles per apartment is limited to 1 car for studio, one bedroom, one bedroom plus lofts apartments and 2 cars for two bedroom, two bedroom lofts and three bedroom townhomes..
- **Pet Regulations** – 2 pet(s) under 40 pounds will be allowed per apartment. The following dog breeds or pets are not allowed: Akita, Bloodhound, Chow Chows, Doberman Pinscher, Eskimo, Elkhound, German Shepherd, Great Dane, Malamute, Mountain Dog, Mastiff, Newfoundland, Pit Bull, Staffordshire Terrier Mix, Rottweiler, Shepherd, Sheepdog and Saint Bernard, Huskies, American Bull Dog or any derivative of these breeds. [Other criteria to be established by District Manager. If pets are not allowed, this should state, “Assistive Animals Only.”] **Poisonous Animals:** Tarantulas &/or Piranhas. **Exotic Animals:** Reptiles (snakes, iguanas), Ferrets, Skunks, Raccoons, Squirrels, Rabbits Birds (parrots, cockatiels, macaws)

## CREDIT RETRIEVER SCORING MODEL

Applicant scoring is primarily weighted to information found in the credit bureau file and information from a prospect's application. The information contained on a prospect's credit file will be scored by the Credit Retriever model, which analyzes hundreds of pieces of data from the following primary categories:

- **Income to Rent Ratio** – Measures ability to handle rent payments.
- **Number of Inquiries in the Last Six Months** – Measures the desire for new credit and potential overextension.
- **Average Age of Trade Lines** – Measures how recent and how regular the applicant's credit is.
- **Revolving Debt to Credit Limit** – Measures the ability of an applicant to absorb credit problems.
- **Percentage of Bank Card Trades Relative to Total Trades** – Measures responsible use of credit and potential overextension.
- **Percentage of "Good" Trade Lines** – Measures reliability and helps eliminate the effect of inconsistent trade lines.
- **Months Since Last Delinquency** – Indication of recent credit behavior.
- **Number of Major Derogatory Ratings** – Flags serious credit issues.
- **Bureau Score** - Measures general credit risk related to renting an apartment.
- **Bankruptcies** - must have not been filed within the last 6 months or must have been discharged in over 6 months from date of application.

Risk scores are based on data found in a current credit report for each applicant. Any discrepancies between the data provided by a given bureau and an applicant's personal records must be taken up with the credit bureau providing the report for scoring. An adverse action letter containing the name, address, and telephone phone number of the bureau used in the scoring process will be provided to any applicant receiving a recommendation other than Accept. You must contact the credit agency directly to correct any inaccuracies or update your credit report.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date