



Residency Standards

Cormac Apartment Homes

Thank you for your application! To assist you with your decision on your new home, we are providing a list of guidelines used to qualify applicants for residency in our communities. Nothing contained in these requirements shall constitute representation by Quarterra that all residents and occupants currently residing in our community have met or currently meet these guidelines.

Quarterra utilizes a 3rd party vendor, VERO, to verify certain proof of income documents. If applicable, please allow up to 5 business days for their review to be finalized. Qualification standards include but are not limited to the following criteria.

IDENTIFICATION. Each applicant who is 18 years of age or older, or an emancipated minor with written proof of legal emancipation, must complete an application and be qualified in accordance with these residency standards.

All applicants are required to provide a valid government-issued photo ID at the time the application is submitted to our screening partner, VERO. As part of our screening process, we verify and validate applicant identities. We attempt to complete this process electronically based on the name, address, date of birth and other identifying biometric information.

INCOME. The gross monthly income of all Leaseholders will be considered jointly (combined) and must equal no less than **2.5 times the monthly** market rental rate of the apartment. We will accept bank statements, payroll checks, and other verifiable income documents to include but not limited to the list below.

There are a few ways to verify income with VERO.

- 1) **By connecting to an employer or payroll provider, AND/OR**
- 2) **By connecting to a bank account AND/OR**
- 3) **Uploading a tax return or 1099**

This is the quickest way to an income verification!

If you cannot link to an employer or to your banking institution, the following substitutes may suffice:

If Employed- provide one of these or more if needed to show appropriate income to rent ratio 2.5 times the monthly rental amount)

- We require your 2 most current personal bank statements showing paycheck deposits; AND your 3 most current paychecks.
- In the case of a recent job change, and have fewer than 3 paychecks, in addition to the 2 bank statements, we'll accept an offer letter we will verify the offer letter.

If additional funds are needed to qualify for income, irregular income such as gratuities, commissions, bonuses, etc. will be considered as long as we can verify it. Examples of verification: If you are paid a monthly bonus, we would like to see a pattern of that frequency in the form of a minimum of 2 paychecks. If you receive a quarterly bonus, we will need to verify with a minimum of 2 quarters of paychecks. If overtime is being considered, it will be averaged from your YTD total for the entire year.

If you are an applicant who is starting a new job, but has not yet been paid, you must provide the following to prove up the rent to income ratio of 2.5:

- An official offer letter for employment. The letter must indicate a start date within 45 days of the expected move-in date, and the salary must meet the rent to income ratio for your



community.

If you are self-employed, not employed, or retired, we will accept both of the following as proof of income:

- Your 2 most current bank statements
- Tax return- The previous year's tax return.
- Must provide the previous year's personal income tax return AND the most recent 2 personal bank/financial statements as evidence of sufficient income of at least 2.5 times the rental amount for six (6) months. Example: if the rental amount is \$2000, you'd multiply this by 2.5 = \$5,000, and then multiply \$5,000 X 6 months. You are required to show an average balance of \$30,000 per month.

Statements must be in PDF format or have a URL (if printed from online.) If unable to provide PDF or URL, an official bank stamp provided by the financial institution will suffice.

As a supplement to income, Applicants may also provide any Alternative Sources of Income if the documents are verifiable and lawful. Examples of Alternative Sources of Income include, but not limited to the following. Benefits letters must be dated no more than 14 months from the date of application.

- A Social Security Benefits Letter, SSA-1099: Social Security Benefit Statement, or an SSA Notice of Change in Payment.
- An order of alimony or child support. If no order exists, but alimony or child support is collected, three months' most recent consecutive bank statements (or check copies) showing regular deposits of alimony, or child support can be provided.
- Unemployment benefits, Retirement Programs, or Child Support payments; the Aged, Blind or Disabled Case Assistance, or Refugee Case Assistance Programs showing the ability to meet income requirements.
- A statement of annuity account payment showing regular annuity income.
- A statement from the financial aid office of a college or university that shows loans and/or grants awarded for living expenses beyond tuition and other school expenses.
- Any Federal, State, local government, private or nonprofit administered benefit program
- Income Assistance Benefit Statement (this document name will vary by state).
- Where applicable, we will accept government issued vouchers, not as a subsidy but for the total rent to income requirement.

GUARANTORS. If a qualified guarantor must be obtained, the guarantor must pay an application processing fee and sign a Guarantor Addendum. Criteria includes the following:

A Guarantor (no more than one person may guarantee a lease) may provide one of the following:

- The last two consecutive pay stubs from current employer showing evidence of 4 times the rental rate.
- In the case of a recent job change (fewer than two pay stubs), last year's W-2 plus the most recent pay stub from current employer.
- If self-employed, the last three consecutive bank statements showing cash assets totaling at



least 4 times the rental rate for 3 months.

A Guarantor living outside of the US must have a Social Security Number, a US bank account, and meet all credit and income requirements.

A Guarantor must have an approved credit score.

CREDIT HISTORY. Our credit reporting agency evaluates credit and rental history against indicators of future rental payment performance including but not limited to credit score, unsatisfactory credit history, unpaid rental and utility debts, collection accounts, rental history, mortgage history, and previous bankruptcy. Negative findings may result in the requirement of an additional deposit or fee, guarantor, or denial. Applicants with no credit may apply with a qualified guarantor.

Denials will result for the following (but not limited to):

- Credit score under 555
- Utility debt or balance over \$250
- Open Bankruptcy/Dismissed Bankruptcy within the last 12 months
- Open Tax Lien
- Unpaid rental debt over \$100
- Rental Collection over \$3000
- Open Repossession

Our credit ranges for approval consideration are as follows:

650 and above- Approved credit score

556-649- Conditional credit score

555 and under- Declined credit score

A conditional credit score or no credit score may result in the requirement of an additional deposit or fee, or a qualified guarantor.

RENTAL HISTORY. Our screening company will review your rental history. Denials will result for the following (but may not be limited to):

- Unpaid rental balance over \$100
- Adjudicated eviction within 3 years
- Two (2) dismissed evictions within 3 years
- Under current eviction

CRIMINAL HISTORY. History which indicates that an applicant's residency would constitute a direct threat to the health or safety of other individuals or whose residency would result in substantial physical damage to the property of owner or others may result in rejection of the application. Such criminal history may include, but is not limited to:

1. Recommend Denial for felony or misdemeanor offenses, if less than twenty (20) years from conviction or other adjudication of the offense or five (5) years from completion of sentence for: homicide; arson; burglary; assault;



kidnapping; manufacture or distribution of controlled substance, sexual offenses (including sex offenders subject to a lifetime registration requirement) or other crimes against persons.

2. Recommend Denial for felony and misdemeanor offenses, if less than ten (10) years from conviction or other adjudication of the offense or five (5) years from the completion of sentence involving possession of controlled substances, forgery, embezzlement, theft of property, damage to property or other crimes against property, and weapons offenses.

Applicants who are denied may submit, within fourteen (14) days of the denial, verifiable evidence of mitigating factors for additional assessment including (by way of example, with no single factor being determinative): the facts or circumstances surrounding the criminal conduct; the age of the individual at the time of the conduct; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; evidence of rehabilitation efforts and/or any other factors related to whether a specific person poses any threat to safety.

OCCUPANCY GUIDELINES. The maximum number of residents permitted to live in an apartment shall not exceed two (2) per bedroom. The only exception is anyone protected as familial status under the Federal Fair Housing Guidelines. In this case, we will allow 2 per bedroom, plus one in the apartment home. Familial Status includes individuals who are under the age of 18, a person who is pregnant, or who is in the process of securing legal custody of a person under 18. A newborn under 24 months will not be included in the headcount for occupancy limits.

FAIR HOUSING STATEMENT. Quarterra and the Owner are committed to compliance with all federal, state, and local fair housing laws. It is our policy to comply with all laws prohibiting discrimination, including those that prohibit discrimination based on race, color, religion, national origin, sex, familial status, or disability, and any other local and state laws protecting specific classes.

PETS and ANIMALS. We love pets and animals and want them to be happy in their new home. We do have some breed restrictions for pets which include full and mixed canines of the following breeds: Pit-Bull Terrier, Pit-Bull mix, Rottweiler, Rottweiler mix, Doberman, Doberman mix, German Shepherd, Presa Canario, Wolf-Hybrid, Mastiff, Cane Corso, Great Dane, Alaskan Malamute and Staffordshire Terrier. Exotic pets are not permitted, and illegal pets are not allowed. Assistance animals for persons with disabilities and emotional support animals are not considered to be pets but do require advance written approval. We will handle all requests for accommodation, including requests for assistance and ESA, in accordance with fair housing laws.

ADA STATEMENT. Quarterra and the Owner are committed to compliance with fair housing laws regarding modifications and accommodations for persons with disabilities. We will handle any requests for modifications and/or accommodations in accordance with relevant fair housing laws.

DENIAL OF APPLICATION. You understand that if you do not meet our rental selection criteria, or if you fail to answer any question or give false information, we may reject your application, retain application fees, and possibly all or a portion of the application deposit as liquidated damages for our time and expense. In the event your application fee, deposit, or any other upfront fee is returned as an "NSF", your application and residency will be denied, and the balance will be reported to the credit agency. Providing falsified or fraudulent information, and if your upfront fees/deposits were returned as an NSF, you will be disqualified from reapplying at an Quarterra community for a minimum of one year following the denied application.

If you fail to sign your Lease after approval or cancel your lease after 3 (three) days after approval: Unless we authorize otherwise in writing, you and all co-applicants must sign the Lease within 3 days after we give you our approval in person or by telephone. If you or any co-applicant fails to sign as required, your application will be deemed withdrawn, and we may keep the application fee, application deposit/admin fee as liquidated damages and terminate all further obligations under this Agreement.

Signature of Applicant:

Date



Signature of Applicant:

Date

Signature of Applicant:

Date

Quarterra Representative/Agent for Owner:

Date
