

Rental Policy Agreement for BMR Tenants

APPLICATION TO RENT

Vanguard Property Management's "Application to Rent" forms are required from EACH applicant 18 years of age and over who will be residing in the unit. Vanguard Property Management's "Application to Rent" form must be completed in its entirety, be signed by the Applicant, and be submitted with a \$40.00 application fee. Incomplete application(s) will **not** be processed by Vanguard Property Management staff, nor will the Applicant be considered for the available unit. The unit will remain on the market. BMR Units: Selected by lottery rank, see MOHCD guidelines.

RENTAL POLICY AGREEMENT

Vanguard Property Management's "Rental Policy Agreement" is required to be read and signed by EACH applicant 18 years of age and over who will be residing in the unit. By signing the "Rental Policy Agreement," the Applicant is acknowledging having read the Rental Policy Agreement and is agreeing to abide by Vanguard Property Management's rental policies, procedures, and the terms set forth therein.

CREDIT CHECK/PROCESSING FEE AND VERIFICATION POLICY

Please be advised that Vanguard Property Management will obtain, on behalf of the owner, a credit report for EACH applicant 18 years of age and over who will be residing in the unit. By signing the "Application to Rent" form and "Rental Policy Agreement," the Applicant is agreeing to reimburse Vanguard Property Management for all credit report(s) run on Applicant's behalf and Applicant authorizes Vanguard Property Management and/or agent(s) to obtain credit report(s), to contact Applicant's present and previous employer(s), bank(s), personal reference(s) and Applicant's present and previous landlord(s).

Applicant agrees to reimburse Vanguard Property Management for any and all bank charges, or any fees incurred due to the payment on a check or money order being intentionally stopped or returned due to insufficient funds. BMR applicants: Money orders or Cashier's checks are the required form of payment.

Vanguard Property Management may use an outside agency/vendor (Able Screening) for the processing of all application packages. Generally, during normal business hours, the credit report is obtained within one (1) hour after processing has begun. The lengthiest part of the application process is landlord verification, so, if Applicant knows that one or more of their references may be difficult to contact, please let Vanguard Property Management know in advance or perhaps provide alternate contact telephone number.

Additionally, if there is anything negative on the Applicant's credit history or if Applicant's present, and/or previous landlord(s) would not recommend the Applicant as a resident, then please provide a detailed explanation with the completed application package. This criteria applies only to documented lease violations. In compliance with the Fair Chance Ordinance, criminal background will not be considered until all other qualifications are met.

Vanguard Property Management requires a payment of \$40.00 per Applicant, which is to be used to screen Applicant with respect to credit history and other background information and to off-set a portion of the costs associated with the processing of the Applicant's application. The amount charged is itemized as follows:

- Actual cost of credit report, unlawful detainer (eviction) search, and/or other screening reports = \$40.00

Please Note: California State Law states that the total fee charged for tenant screening may not exceed \$42.08 per applicant.

Rental Policy Agreement for BMR Tenants

Should the Applicant(s) change their mind(s) after submitting an application package the following refund policy will apply:

- If an actual credit report has been processed for the Applicant, the credit check(s) fee will not be refunded for any reason. For BMR units, credit will be pulled once all income qualification standards have been satisfied.
- If an actual credit report has not been processed for the Applicant, the credit check fee (if paid by cashier's check or money order) will be refunded in full within ten (10) business days from the date of deposit into the Vanguard Property Management Trust Account.

Applicant should note that Vanguard Property Management and the building ownership participate in a national credit reporting service and information about the Applicant's tenancy may, from time to time, be reported.

QUALIFICATION STANDARDS

Vanguard Property Management reviews three (3) areas of the completed Application Package during the qualification process - Credit History, Rental History and the Ability to Pay Rent.

To qualify for the Available Unit with Vanguard Property Management, Applicant must have a minimum of:

- Two (2) years established credit history in good standing (Score of 620+, no history of ongoing late payments and/or collections over \$2,500). Medical and Student loan debt will not be considered.
- Two (2) years verifiable references from present and previous landlord(s)
- Household must meet two times (2X's) the monthly rental rate in verifiable gross income. All income must be verifiable.

Proof of Employment may be established by providing the last three (3) consecutive pay stubs when an employment reference or department does not verify employment or salary earnings.

Proof of Income may be established by providing a copy of the offer letter of employment from the Applicant's new company. Self-Employed applicants must submit 3 years of federal tax returns and a year to date profit and loss statement"

CURES

If the Applicant does not meet the above qualification standards, in some cases, the following cures may be used at the **sole discretion** of Vanguard Property Management **ONLY**.

A Higher Security Deposit amount up to 1.5 X's the monthly rent, in some cases, may be used to cure negative credit (mitigating circumstances considered) , insufficient gross monthly income (within \$1,000.00 of required amount), little or no rental history.

Therefore, if the Applicant knows they have something derogatory in their application package, please be prepared to pay a higher security deposit or provide a guarantor.

BANKRUPTCY, EVICTIONS, JUDGEMENTS AND THE LIKE

Bankruptcy - may be cured with a guarantor or higher security deposit if the bankruptcy has been discharged or has occurred at least three (3) years ago and all current obligations have been paid in a timely manner. If the bankruptcy has taken place within the last three (3) years and the Applicant will be living alone, the Applicant will not qualify for a unit with Vanguard Property Management.

Rental Policy Agreement for BMR Tenants

Eviction - The **ONLY** eviction that will be permitted by Vanguard Property Management is eviction by "Owner Move-In" or "Ellis Act" – for all other evictions, Applicant will not qualify for a unit with Vanguard Property Management. (Mitigating circumstances considered)

Judgments - If Applicant has any judgment(s), Applicant will be required to pay the judgment amount in full and provide proof of payment and may be required to provide a guarantor and/or higher security deposit amount.

GUARANTOR QUALIFICATION POLICY

To qualify as a Guarantor for an Applicant with Vanguard Property Management, Guarantor must have five (5) years excellent to good credit history – Guarantor will not qualify as a Guarantor with a negative credit history. Additionally, Guarantor must have at least five times (5X's) the monthly rental rate in verifiable gross income. All income must be verifiable and must have been stable for at least six (6) months or longer.

FIRST MONTH'S RENT POLICY

The first (1st) month's rent will be due and payable at the time the tenancy agreement is signed and may be a pro-rated rental amount based upon the tenancy agreement start date. Any tenancy starting on the 21st day of the month or after will be required to pay the pro-rated amount for the remainder of the first month plus a full month's rent for the following month. Funds for the first (1st) month's rent must be paid by certified funds (cashier's check or money order) **ONLY**, made payable to Vanguard Property Management within two (2) business days of approval of the Applicant's application.

Applicant agrees that the Rental Agreement will be executed on a date no later than seven (7) calendar days from the date of verbal approval by Vanguard Property Management. In general, it is Vanguard Property Management's policy that the rental term will begin no later than seven (7) days after the Rental Agreement is executed.

SECURITY DEPOSIT POLICY

Vanguard Property Management's standard security deposit is *generally* equal to one times the monthly rental rate which will be due upon execution of the Tenancy Agreement and must be paid in full prior to the date of possession by the Resident(s). Security Deposit funds must be submitted in the form of certified funds (cashier's check or money order) **ONLY**, made payable to Vanguard Property Management. The security deposit is not *rent* and is **not** last month's rent.

ACCEPTANCE OF APPLICATION/VERBAL APPROVAL/LEASE SIGNING

If Vanguard Property Management approves Applicant, Applicant agrees to execute Vanguard Property Management Rental Agreement and all incorporated addenda for the premises **within seven (7) calendar days** of written approval and agrees to pay the first (1st) month's pro-rated rent and security deposit. Applicant agrees

that ALL parties to the Tenancy Agreement [excepting any Guarantor(s)] be present together at one specified time during Vanguard Property Management normal business hours which are Monday through Friday 9:00 a.m. to 5:00 p.m. to sign the Rental Agreement. Applicant(s) understand that Vanguard Property Management prefers that all Rental Agreements be executed in person with all signers present (except Guarantors).

Applicant understands that if Applicant does not execute Vanguard Property Management Tenancy Agreement **within seven (7) calendar days** of written approval, Vanguard Property Management may put the unit back on the market.

Rental Policy Agreement for BMR Tenants

Should applicants "back-out" for any reason after the Rental Agreement is executed they will be responsible for Lost Rental Damages. "Lost rental damages" is equal to the daily current monthly rental rate until another tenant(s) can be found, qualified, and a Tenancy Agreement executed. Applicant agrees that the daily rental rate will be calculated at 1/30th of the current monthly rental rate. Calculation of "lost rental damages" begins with the date the rental term begins.

If there is inconsistency between the terms of this Rental Policy Agreement, and the Rental Agreement signed by the parties, the terms of Rental Agreement will control.

DENIED/DECLINED POLICY

Should the Applicant's application be declined for any reason, the Applicant will be notified by telephone and in writing, when required by law, via mail to the current address listed on the application.

LEGAL ACTION

Note that a binding rental agreement will be subject to Vanguard Property Management acceptance of Applicant's application packet, and subject to Vanguard Property Management and Applicant entering into Vanguard Property Management Rental Agreement. However, this Rental Policy Agreement will be binding upon execution by Vanguard Property Management and Applicant. If any legal action or proceeding is brought by either party to enforce any part of this Rental Policy Agreement, the prevailing party will recover, in addition to all other relief, reasonable attorneys' fees and costs.



EQUAL HOUSING OPPORTUNITY

We do Business in Accordance with the Fair Housing Act. (The Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988).

IT SHALL BE ILLEGAL TO DISCRIMINATE AGAINST ANY PERSON BECAUSE OF RACE, COLOR, RELIGION, SEX, (PHYSICAL OR MENTAL) DISABILITY, FAMILIAL STATUS (HAVING ONE OR MORE CHILDREN), OR NATIONAL ORIGIN

- In the sale or rental of housing or residential lots
- In advertising the sale or rental of housing
- In the financing of housing
- In the appraisal of housing
- In the provision of real estate brokerage services
- Blockbusting is illegal

Anyone who feels he or she has been discriminated against should send a complaint to:

U.S. Department of Housing and Urban Development
Assistant Secretary of Fair Housing and Equal Opportunity
Washington, D.C. 20410

APPLICANT HEREBY ACKNOWLEDGES HAVING READ THE FORGOING INFORMATION AND
HEREBY MAKES AN APPLICATION FOR UNIT AND AGREES TO THE ALL TERMS AND
CONDITIONS HEREIN:

Print Name

Best Contact Phone
Number

Signature

Date