Qualification Standards for Residential Rental Units

Effective as of June 1, 2017, the following Qualification Standards for Residential Rental Units managed by Grosvenor Properties Ltd. are as follows:

General Qualification Standards

- A bankruptcy within the last four (4) years will disqualify any applicant
  - If there were extenuating circumstances such as significant medical expense, divorce, abuse or death of an immediate family member, we will evaluate the nature of the circumstances and the credit history subsequent to the release from bankruptcy.
- An unlawful detainer within the last four (4) years, which, has resulted in a judgement in favor of the owner, will disqualify any applicant.
- Outstanding judgements in a total amount of $1,500.00 or more will disqualify any applicant.
- Outstanding IRS liens in an amount of $2,000.00 or more will disqualify any applicant.
- A credit report evidencing poor credit history, i.e. write offs, numerous accounts closed by credit grantor, significant late payment history, repossessions will disqualify an applicant. A real estate foreclosure will not automatically disqualify and applicant; however, we will need to carefully review the applicants credit history and the reason for the foreclosure.
- All credit reports, which we rely upon in making a credit approval decision, must be credit reports that have been ordered by our on-site offices or our main office and which have then been delivered directly to the ordering office from our then currently approved credit reporting company. All such reports must demonstrate a good credit history.
- We must receive satisfactory verifications of employment and present landlord verifications.
- An arrest is not a conviction and therefore should not be used to disqualify an applicant.

Income Analysis

A. The amount of the monthly rental payment is to be 43%, or less, of the applicant's gross income except for instances where the applicant receives a government rent subsidy. In such instances, only the portion of the monthly rental payment actually to be paid by the applicant is to be 43%, or less, of the applicant's gross income. In other words you exclude the portion of the rent to be paid by government subsidy from the calculation.

B. The amount of the monthly rental payment, existing credit card payments, and other continuing monthly payments, i.e., car or boat payment is to be 55%, or less, of the applicant's gross income. In instances where the applicant receives a government rent subsidy the applicant's monthly rent is the portion that is to be paid by the prospective applicant.

1. To determine the amount of an applicant's monthly credit card payments, multiply an applicants total credit card debt by 5 %. This will provide you with a good approximation of the applicant's monthly credit card payment obligations.
2. In the event an applicant is self-employed the applicant will need to provide copies of their federal income tax returns for the last two years.
3. To verify income from employment, it is acceptable to obtain a copy of a recent pay stub.

C. In the event an applicant does not meet the above income requirements but has a substantial net worth, i.e. a net worth of more than $250,000.00, we will reduce the above percentages and evaluate such applicant based upon their credit history and as a general rule of thumb, we will want to see a net worth which is equal to or greater than the sum of the monthly rental payments multiplied by 120. For instance, if the monthly rent is $3,000.00, we would want the applicant to have a net worth equal to or greater than $360,000.00.

Please remember the rental/lease application is one of the most critical documents we obtain for use in evaluating prospective residents. It is critical that you make sure that all such applications are (i) completely filled out (ii) dated and (iii) signed by all applicants prior to commencing our underwriting evaluations. In this process, we need to evaluate, at a minimum, the applicants (i) credit (ii) capacity to pay and (iii) any serious character issues.