



Compliments of the UTAH Apartment Association

Does Your Applicant Measure Up?

Deciding whether or not to approve a potential renter is one of the most difficult yet most important challenges UAA members face. Deciding what kind of history disqualifies a potential renter is difficult – particularly when you have a mortgage and expenses, and you need revenue to stay afloat.

Do you remember the last time you went to an amusement park? Before individuals are allowed to ride different rides, there is often a height test they must pass. For some rides, the standard is lower or higher, but in each case, no one that does not measure up can go on the ride.

The easiest way to decide if a prospect can rent from you is to set up standards that your prospect must measure up to. Just like the ride standards, it doesn't matter if they exceed it by a foot or a centimeter – if they meet your minimum standard they can rent – if not they must go somewhere else.

These standards are called rental criteria. Professional companies have developed these as a way to easily determine eligibility. While the UAA doesn't suggest specific standards, we do encourage you to adopt criteria that are appropriate for your business model.

Rental criteria can be basic or comprehensive. As a minimum, we suggest you set a criteria for the following:

- ✓ Income – how much income is enough. Housing experts say a person can reasonably afford to pay 30-40% of their income for housing.
- ✓ Rental history – What types of negative rental history will you allow? Experience suggests that tenants who are a problem for previous landlords will be a problem for you.
- ✓ Credit – What, to you, constitutes unacceptable credit?
- ✓ Criminal – What types of criminal history will disqualify someone? Are you willing to allow persons with a history of crimes against person or property and drug offenses? What standards will you impose to protect your property and the health and safety of other tenants or neighbors?
- ✓ Will you allow cosigners or higher deposits in certain situations in order to give someone a second chance but still provide you with additional security for taking on more risk?
- ✓ What types of verification will you require (ie. drivers license, check stubs, etc)?

- ✓ Occupancy standards – How many individuals will you allow in the unit? (Note: HUD suggests that 2 people per bedroom is a minimal suggested limit.)

When setting your standards it may be helpful to look at other's standards. Here is an example we found on the web. For more examples we suggest a "google" search with the keywords "apartment rental criteria. You will find hundreds of thousand of examples.

EXAMPLE OF RENTAL CRITERIA FOUND ON WEB

KEITH PROPERTIES RENTAL CRITERIA



Sorry, no pets!

The following are standards that will be used to judge your application for tenancy. You must meet the following standards to qualify for a rental in our community. Applicants are judged on the same standards, one person or family at a time, on first come first served basis.

- **\$20 NON - REFUNDABLE APPLICATION FEE** - Each applicant / cosigner / tenant, is required to pay an application fee. Cosigners for applicants are subject to the same rental criteria.
- **IDENTIFICATION** - All applicants over the age of 18 must provide current photo identification at the time of application.
- **EMPLOYMENT REQUIREMENTS** - Employment will be verified. At a minimum, employment history should reflect six months with current employer and/or six months with previous employer. Recent graduates must provide proof of enrollment or graduation. Self-employed applicants must provide a current CPA prepared financial statement or most recent tax return.
- **INCOME REQUIREMENTS** - The combined gross income of all persons living in the rental must be three times the monthly rental rate. Applicants that do not meet the above employment or income requirements must provide a cosigner and/or savings account statements showing a minimum balance equal to 12 months of rental payments.
- **RENTAL HISTORY** - Applicants must provide name, address, and dates of tenancy for previous landlords for two years. An application will not be approved if there is any previous evictions; defaults in lease agreements, untimely rental payments, or outstanding balances owed to another apartment community.
- **CREDIT HISTORY** - Your credit must reflect that all accounts are current. Application for tenancy will be denied if you have filed bankruptcy within the past 18 months. Any bankruptcy must have been discharged at least one year from the date of application. All collections account must show as being paid in full. Applicants with past due accounts and collections can qualify with payment of the rental deposit plus the first and last month's rent at lease signing.
- **CRIMINAL HISTORY** - Your application will be rejected if you have been convicted for any type of crime that would be considered a serious threat to the rental property, other residents or neighbors.
- **STUDENTS** - Full-time students can qualify with written verification of financial aid, parental support, scholarships, and/or supplemental savings equal to 12 months of rental payments.
- **MAXIMUM OCCUPANCY** - 2 Persons / 1 Bdrm : 4 Persons / 2 Bdrm (No Pets Allowed)

Keith Properties is committed to equal housing opportunity. We do not discriminate against anyone on the basis of race, color, religion, sex, handicap, family status, or national origin.

<http://www.keithproperties.com/page6.html>