

RESIDENT SELECTION CRITERIA
(Maryland)
For S.L. Nusbaum Realty Co. Managed Communities

NON-DISCRIMINATION - S.L. Nusbaum Realty Co (“SLN”) adheres to all applicable federal, state and local fair housing laws, including those which prohibit discrimination based on race, color, religion, sex, handicap/disability, familial status, age (except as required by State or Federal law), elderliness, national origin, ancestry, sexual orientation, gender expression or identity, source of income, marital status, citizenship/immigration status, personal appearance, political opinion/affiliation, occupation, family responsibility, and/or other statuses protected by applicable law.

SLN currently utilizes the following Resident Selection Criteria to determine if applicants are qualified to become residents at our apartment communities. Certain additional or modified terms may apply to applicants or residents for government subsidized housing or income restricted housing. Likewise, since we serve as management agent for a variety of owners, these general policies or procedures may be modified at the request of a specific owner. Because laws change frequently, and because we conduct appropriately individualized assessment, we reserve the right to modify or deviate from these general guidelines where appropriate and where required or allowed by law.

When requested, date of birth, social security number, or an individual taxpayer identification number issued by the U.S. Internal Revenue Service is used to help identify applicant for purposes of conducting appropriate credit/criminal background screenings. SLN will consider reasonable alternative identification or screening methods when standard identifiers are unavailable.

IMPORTANT NOTE: SLN does not accept “reusable tenant screening reports.” This notice is provided as required by Maryland law.

1) **EMPLOYMENT & INCOME/FUNDS VERIFICATION**

- a) Confirmation of information provided by applicant is required.
- b) SLN will consider lawful sources of income and funds on equal terms. Verification requirements will be applied consistently, subject to lawful program requirements and reasonable accommodations.
- c) For applicants who do not use an income-based housing subsidy, SLN may apply the property’s disclosed income-to-rent standard to the full monthly rent.
- d) SLN will generally conduct a rent-to-funds/income ratio analysis in determining whether an individual qualifies for tenancy at the property. This analysis will take into consideration all sources of funds about which we are informed. For additional information on this ratio analysis, please contact the Community Manager.
- e) For an applicant who will pay all or part of the rent with recurring assistance from a governmental entity or nonprofit organization, including a housing voucher, SLN will not refuse to rent based on the applicant’s income, credit score, lack of a credit score, or adverse credit history that arose during a confirmed period when the applicant did not have the subsidy, except as federal law may authorize. SLN may verify that the applicant has sufficient income to pay only the tenant-paid portion of the rent, using an income-to-tenant-paid-rent ratio substantially equivalent to the ratio used for applicants without subsidies. SLN will not apply the ratio to the full contract rent when a subsidy pays part of that rent.
- f) The period during which an applicant did not have an income-based housing subsidy may be confirmed by the applicant, voucher paperwork, documents from a public housing authority, or a public housing authority’s response to SLN. SLN will not require a public housing authority to verify those dates.
- g) If an applicant or tenant is or will be participating in a rental assistance program, then depending on the program, the Property may be required to (a) report the tenant/applicants income information to HUD or the applicable state or local governmental housing agency and/or (b) re-verify the tenant/applicants household income, assets, expenses and deduction on an annual basis.
- h) If an applicant wishes to utilize a housing choice voucher, provided the applicant meets all other resident selection criteria, their application will not receive final approval until the Public Housing Authority administering the voucher has completed all approval steps for the applicable voucher. Any communication of an approval prior to the Public Housing Authority providing voucher approval is considered a conditional approval. In addition, the rent-to-funds/income ratio analysis will not be completed by SLN until the Public Housing Authority has provided the necessary information regarding the amount any voucher will provide.
- i) SLN will provide housing opportunities to all prospective residents who meet our resident selection criteria regardless of source of funds/income.

2) **PRESENT AND PAST CREDIT REPORTS AND ANALYSIS** - A credit report and credit-related risk assessment will be processed on each applicant and prospective household member age 18 or over by a third-party vendor utilizing a non-discriminatory risk assessment algorithm. The credit-related risk analysis may be based on various factors, such as credit, accounts, FICO score, rental history, rent-to-funds/income, debt-to-funds/income, liens, and/or bankruptcies. SLN applies an individualized assessment process in reviewing this and as described below provides opportunity for applicants to provide any additional information they would like considered as part of the individualized assessment.

- a) A valid, unexpired state or government photo identification and SSN are generally required for credit, background, and rental history screening purposes. Unless required by law, SLN does not utilize these documents for any purposes related to citizenship and/or immigration status.
- b) Any applicant unable to provide a valid SSN must provide a valid Tax Identification Number (“ITIN”). The applicant must have acceptable photo identification to match the SSN or Tax Identification Number. In the event that an applicant does not have a valid, unexpired driver’s license or other government issued ID, acceptable alternative forms of identification to match a SSN or ITIN will include (but not necessarily be limited to) a valid and unexpired 1) Permanent Resident Card (Form I-551), 2) Employment Authorization Card (Form I-766), 3) U.S. Passport, 4) Foreign Passport, 5) U.S. Visa Stamp, and/or 6) consular identification card. If an applicant is attempting to present another form of ID to match a SSN or ITIN, the Regional Property Manager must be contacted for further guidance.
- c) For an applicant who is not protected by the income-based housing subsidy rules described in Section 1, the absence of a credit file may result in additional rental and income verification or another lawful, consistently applied condition. Any security deposit will remain within Maryland’s statutory limit, and any guarantor requirement or other condition will be applied consistently and disclosed in writing.
- d) An adverse credit report and/or credit-related risk analysis can disqualify an applicant from renting an apartment home at this community. An adverse credit report and/or credit-related risk analysis generally includes reports that

reflect significant issues with past or current bad debts, late payments or unpaid bills, liens, open rental judgments or open Chapter 7 bankruptcies.

- e) For an applicant protected by the income-based housing subsidy rules, SLN will not consider and/or deny the application or impose additional conditions because of the applicant's credit score, lack of a credit score, or adverse credit history arising during a confirmed period when the applicant did not have the subsidy.
- f) If an applicant is rejected for poor credit history and/or credit-related risk analysis (or required to meet additional conditions such as an increased security deposit) the applicant will be given the name, address and telephone number of the credit-reporting agency that provided the credit report, as required by the FCRA. An applicant rejected for unsatisfactory credit and/or credit-related risk analysis or required to meet additional conditions is encouraged to obtain a copy of the credit report from the credit-reporting agency, correct any erroneous information that may be on the report, and re-submit an application to this community.
- g) The content of any credit reports will not be released from management except as allowed/required by law.
- h) Any applicant rejected or required to meet additional conditions on the basis of credit history/risk analysis whose credit was harmed as a result of being a victim of domestic abuse may provide additional information. SLN will complete an individualized assessment considering information provided by the applicant from a court, attorney, sexual or domestic violence support agency, or related source. Any applicant who would like an individualized assessment based on their credit being harmed as a victim of domestic abuse should contact SLN by calling 866.856.8792
- i) Additionally, if the applicant would like any additional information considered by SLN as part of an individualized assessment, he/she should call 866.856.8792.

PRESENT AND PAST RENTAL HISTORY - Confirmation of good rental history for the last 12 months is generally required. In the event an applicant has not rented in the last 12 months, then history of good rental history over the longest period of rental during the three years preceding the application may also be considered. Confirmation of rental history is generally in the form of an Applicant Rental History Check questionnaire completed by the applicant's current or former landlord. An affirmative answer to any questions one through six on the Applicant Rental History Check will generally result in denial of the rental application. Applicants with housing judgments will generally be required to demonstrate that the judgments have been satisfied. Prospects with unpaid housing judgments, or who owe funds to an SLN managed community, are generally not eligible to rent at any SLN managed community. Applicants with paid rental judgments are typically eligible to rent. Applicants who are denied based on rental history will be permitted to demonstrate that a rental reference is inaccurate.

Notwithstanding the information above, to the extent that the present or past rental history is negative due to unpaid rent or money owed, the Property will not hold this against applicants who are or will be participating in a rental/assistance program which provides the Property with the ability to recover any economic losses related to the impending tenancy. For an applicant protected by the income-based housing subsidy rules in Section 1, SLN will not deny the application or impose additional conditions based on a housing judgment, collection, or amount owed when doing so would rely on credit history that Maryland law prohibits SLN from considering. SLN may consider independently verified rental-history conduct only to the extent that its use is commercially reasonable, nondiscriminatory, and permitted by law.

- 3) **STANDARD CRIMINAL RECOMMENDATIONS** - For purposes of this section, an "adult prospective resident" means each person age 18 or older who applies or is proposed to reside in the rental unit, including each applicant, co-applicant, proposed leaseholder, and proposed adult occupant, regardless of whether the person will sign the lease. SLN does not conduct criminal history records checks on minor household members. If SLN uses criminal history screening for its covered Maryland rental units, each adult prospective resident will be screened individually, under the same standards, and at the same stage of the leasing process. Except for the limited pre-offer inquiries permitted below, SLN will not obtain a criminal history records check for an adult prospective resident until SLN has determined that the household satisfies all noncriminal eligibility criteria and has extended the required written conditional offer.

- a) **Coverage and consistent screening.** The Maryland Fair Chance Housing Act generally applies to a landlord that manages or owns, in the aggregate, five or more residential rental units in Maryland, including units owned or controlled directly, indirectly, in whole or in part, or through one or more legal entities. The five-unit threshold is determined based on the landlord's Maryland rental units collectively and is not calculated separately for each property. The Act does not apply to owner-occupied residential rental units. For rental units subject to the Act, SLN will apply this section consistently to every adult prospective resident described above.
- b) **Notice before an application fee.** Before accepting an application fee, SLN will provide the prospective tenant with the required written notice regarding the use of a criminal history records check, including a statement that convictions identified by Maryland law may be considered only after SLN extends a conditional offer. The notice will also explain the prospective tenant's ability to provide evidence of inaccuracies, rehabilitation, and mitigating factors and will state that SLN will conduct an individualized assessment.
- c) **Before a conditional offer.** Except for the limited categories below, SLN will not ask an applicant to disclose criminal history, ask whether the applicant has been accused or charged with a crime, make another criminal-history inquiry, or obtain a criminal history records check before extending a conditional offer. SLN may ask only whether the applicant has:
 - (i) for federally assisted housing, a conviction for manufacturing, distributing, dispensing, or producing methamphetamine on the premises of federally assisted housing;
 - (ii) a conviction for a sexual offense under Title 3, Subtitle 3 of the Maryland Criminal Law Article;
 - (iii) a conviction for child pornography under Maryland Criminal Law § 11-207;
 - (iv) a conviction for first-degree or second-degree murder under Maryland law;
 - (v) a conviction for human trafficking under Maryland Criminal Law § 3-1102;
 - (vi) a lifetime registration requirement under a state sex offender registration program, or any prior registration requirement under a state or federal sex offender registration program; or
 - (vii) an out-of-state or federal conviction with the same criminal elements as one of the listed offenses.
- d) **After a conditional offer.** Only after the applicant satisfies all non-criminal criteria and receives a written conditional offer may SLN obtain the criminal history records check. SLN may consider as potential grounds for withdrawal only:
 - (i) a Maryland felony conviction under the Criminal Law Article that occurred within five years immediately preceding the rental application;
 - (ii) an out-of-state or federal conviction with the same elements as a Maryland felony, if the conviction occurred within five years immediately preceding the rental application; or

- (iii) a conviction in one of the limited pre-offer categories above that the applicant did not disclose when asked on an approved form.

SLN will not withdraw a conditional offer based on a misdemeanor conviction, arrest, charge, pending accusation, non-conviction record, expunged or otherwise legally inoperative record, or a conviction outside the permitted categories.

- e) **Individualized assessment.** A permitted conviction does not result in automatic denial. SLN will consider evidence of inaccurate records, rehabilitation, good conduct, and other mitigating factors. Before withdrawing a conditional offer, SLN will complete an individualized assessment of the situation. Relevant factors considered include, but are not limited to, the nature and severity of the offense, the applicant's age at the time, time elapsed, rehabilitation and good conduct, the degree to which recurrence would negatively affect the safety of other tenants or property, whether the offense occurred on rented property, and any disability-related reasonable-accommodation request.
 - f) **Withdrawal, reassessment, and records.** If SLN withdraws a conditional offer, it will give a written notice stating the specific reason and explaining that the applicant may request reassessment by submitting written evidence, signed under penalty of perjury, concerning inaccuracies, rehabilitation, or mitigation. Within 30 days after the withdrawal notice, the applicant may request all information SLN relied upon, including criminal history records; SLN will respond within 10 days after receiving a timely request. When a consumer report contributed to the decision, SLN will also provide the notice required by the Fair Credit Reporting Act.
 - g) **Federally assisted housing.** SLN will apply any mandatory federal admission prohibition that governs a particular federally assisted property. Federal program requirements will be applied only to the extent required and in a manner consistent with the Maryland Fair Chance Housing Act.
- 4) **CURRENT DRUG OR ALCOHOL ABUSE** – SLN will not require an applicant to take a drug or alcohol test or authorize release of information from a substance-use-disorder prevention or treatment program. Current illegal use of a controlled substance may be considered only as permitted by applicable law. Alcohol use, a substance-use disorder, lawful treatment, or recovery status will not by itself disqualify an applicant. SLN may consider recent, objective evidence of conduct that creates a direct threat to the health or safety of others or a substantial risk of property damage, after an individualized assessment and consideration of any reasonable accommodation required by law.
- 5) **MISREPRESENTATION** - A knowing and material misrepresentation or omission concerning information lawfully requested and relevant to eligibility may result in denial. SLN will not treat an applicant's refusal to provide information that SLN is prohibited from requesting as misrepresentation.
- 6) **OCCUPANCY STANDARDS** - Occupancy standards serve to prevent the over-utilization or under-utilization of units that can result in, among other things, an inefficient use of housing funding. The following standards will determine the number of bedrooms required to accommodate a family or group of a given size, except that such standards may be waived when a vacancy problem exists and it is necessary to achieve or maintain full occupancy and/or comply with other applicable law.
- In selecting a unit size for the applicant(s), the Property's occupancy standards, and any waivers thereof, must comply with federal, state, and local fair housing and civil rights laws, landlord-tenant laws, zoning laws, and applicable HUD Occupancy guidelines from time to time in effect. Generally, maximum occupancy shall equal two times (2x) the number of bedrooms (e.g., two (2) bedroom unit for four (4) persons). If the apartment has a den or other "extra room", then generally the maximum occupancy shall be two times (2x) the number of bedrooms plus one (1) person per den and/or extra room (e.g., two (2) bedroom unit with one (1) den space for five (5) persons). In addition, where required by law, certain units may be subject to a **minimum occupancy** of one (1) person per bedroom (e.g., two (2) bedroom unit for at least two (2) persons).
- Notwithstanding the following, SLN may adjust occupancy standards for particular units and permit additional persons in a given unit based on an individualized consideration of appropriate factors. Such a deviation will generally require regional manager or co-director approval.
- Notwithstanding anything to the contrary, if during the term of any lease, a child is born or adopted by the resident, and as a result of such birth or adoption, the occupancy standard established above shall be violated, the resident shall not be required by the Property/Management to move or transfer to a larger unit in order to comply with the occupancy standard until the conclusion of the term of the then-existing lease; provided that the resident shall at all times satisfy all other obligations under the lease, rules, and regulations applicable to the leased unit, including but not limited to any interim notification requirements.
- 7) **POSITIVE RENTAL PAYMENT HISTORY REPORTING** - At each Maryland community managed by SLN, the written lease will include the tenant's option to have complete and timely rental payments reported to at least one consumer reporting agency. Participation is voluntary. SLN will offer the option at lease signing and at least annually thereafter, using the form and delivery method required by Maryland law and implementing regulations.
- 8) **QUESTIONS AND INDIVIDUALIZED REVIEW** - Should you have a question about our Resident Selection Criteria, or any questions about the selection process, please do not hesitate to ask the Community Manager who will be pleased to assist you. If you are concerned about a decision or would like to provide information as part of an individualized assessment, please call 866.856.8792.

For Housing for Older Persons properties, additional restrictions and limitations in compliance with state and federal housing and fair housing laws may apply.

Thank you for your interest in an SLN managed community.