PART FOUR

PART FOUR

THE APPLICATION PROCESS

IT'S WORTH THE EFFORT

Property managers have differing views on how, or *if* they should screen prospective residents. Some property managers have rigid guidelines established by their management company or owners. Other property managers may feel that calling references or checking prospective residents is not worth the effort. Remember, the many of the problems associated with a rental property can be tied to the tenants and your screening process. Nobody, good or bad, can move into your rental unit(s) unless you let them. To avoid discrimination in applicant selection, it's important to understand Fair Housing Laws.

WHAT ARE PROTECTED CLASSES?

Federal Fair Housing Laws strictly prohibit any discrimination against protected classes. Those protected classes may include these and others:

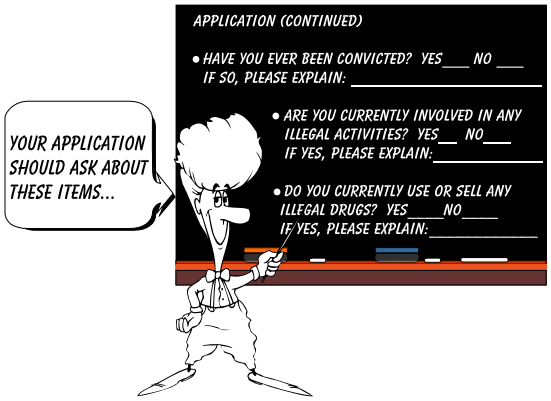
- race
- color
- religion
- sex
- handicap
- familial status
- national origin
- source of income
- sexual preference

What most people may not be aware of is that EVERYONE is in a protected class! Everyone has a race, a color, a sex and a national origin. No one can discriminate against an applicant based on their color, regardless of what color they are. No one can be denied residency based on their national origin, regardless of where they were born. *(**NOTE**: You should keep an "Equal Opportunity Housing" sign in the office to remind prospective residents that you do not discriminate against those protected by the Fair Housing Laws.)* **Additional information about the Federal Fair Housing Act is located at the end of this chapter.**

WHAT ABOUT NON-PROTECTED CLASSES?

While discrimination against non-protected classes is not necessarily illegal, it may not be profitable either. For example, a property manager may discriminate against pet owners (provided that the applicant is not dependent upon the animal for a particular disability), but not allowing pets may turn away a large number of applicants. Another example is the property manager who chooses to rent to only non-smokers. Here again, it may be legal, but it may not be profitable.

WHAT ABOUT CRIMINAL BEHAVIOR?



At this time it is not illegal to deny residency to an applicant based on their criminal history. Keep in mind, you should not deny an application on the basis of an arrest; but only on a conviction, guilty plea, plea of no contest, been placed on supervision, probation, or parole. If an applicant says they were not convicted, but they made a plea bargain instead, it is still a conviction.

Behavior is not one of the federally protected classes. An applicant can be denied residency for behaviors at previous rental properties. For example, you could refuse residency to an applicant who has repeatedly disturbed or threatened previous neighbors, sold or manufactured drugs, or damaged properties they previously rented.

When looking at the criminal history of prospective residents, ask yourself, "Is this a crime that poses a threat to my residents"? A felony embezzlement charge may not be a threat, but a misdemeanor charge for assault may constitute a threat.

.MAKE CRIME FREE MULTI-HOUSING A COMMITMENT!

It is important to convey to all prospective residents your intention to participate in the Crime Free Multi-Housing Program. Some property managers will attach a copy of the Crime Free Addendum to each application, while other property managers will display a poster-sized copy of the addendum in an area where prospective residents fill out their application.

You should also have a written applicant screening policy along with the criteria that will grounds to deny the application. If you are going to screen an applicant (including their criminal background) you must screen *every* applicant including the sweet little old lady.

Be certain to treat *all* applicants equally and fairly. **Also be certain to tell them about your participation in the Crime Free Multi-Housing Program before they fill out the application.** This gives them the opportunity to continue looking for other options. (NOTE:
If an applicant refuses to live in a Crime Free Community, you won't have to deny their application!)

An application should be obtained from all occupants 18 years old and over and each occupant 18 and over should be screened and approved.

DISCLOSURE

If an applicant discloses a previous criminal history of convictions on the application, you should decide immediately whether or not to accept the application. If you accept the application, you may lose the right to deny the application later for any information they have disclosed. Check with your Management Company and/or attorney to be certain of your company's policy in this regard.

Bottom line…check each application thoroughly before accepting it or any processing fees.

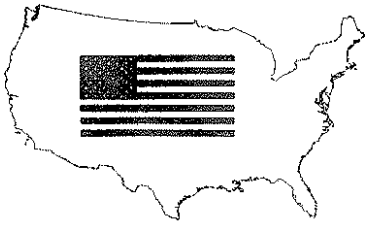
What is Fair Housing?

The right for **all** people to live wherever they choose, to have access to housing (seek, purchase, sell, lease or rent) and enjoy the full use of their homes without unlawful discrimination, interference, coercion, threats, or intimidation by owners, landlords or real estate agents or any other persons.

Federal Fair Housing Law

<u>7 Protected Classes:</u>

- ❑Race
- ❑Color
- ❑Religion
- ❑National Origin
- ❑Sex (incl. sexual harassment)
- ❑Disability (mental and physical)
- ❑Familial Status



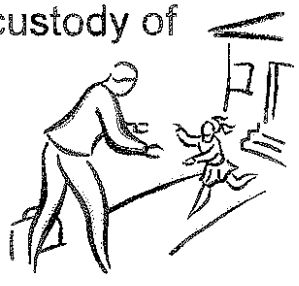
State Fair Housing Law

7 Additional Protected Classes in Illinois:

- ❑Ancestry
- ❑Age (40 and over)
- ❑Marital status
- ❑Military status
- ❑Unfavorable discharge from military service
- ❑Sexual orientation (incl. gender identity)
- ❑Order of Protection Status

Familial Status

- ❑ Families with children under age 18
- ❑ Women who are pregnant
- ❑ Persons in the process of adopting children or obtaining legal custody of minors



Disability

- An impairment that substantially limits a major life activity (federal definition)
- Determinable physical or mental characteristic which may result from disease, injury, congenital condition of birth or functional disorder which is unrelated to the person's ability to acquire, rent or maintain a housing accommodation (Illinois Human Rights Act)

Sexual Orientation

- Sexual Orientation - actual or perceived heterosexuality, homosexuality, bisexuality, or gender-related identity, whether or not traditionally associated with the person's designated sex at birth

Order of Protection Status

- "A person's status as being a person protected under an order of protection issued pursuant to the Illinois Domestic Violence Act of 1986 or an order of protection issued by a court of another state."
- Cannot be used as the basis for denying a rental application, evicting, etc.

Also Covered

- **Association** – refers to persons associated with the tenant, such as children or friends
- **Retaliation** – differential treatment because a person complained of or reported discrimination
- **Intimidation** – harassment/other actions because of a protected class, related to enjoyment of a housing accommodation (neighbor to neighbor)
- **Coercion** – attempts to force someone to discriminate

Other Fair Housing Laws

- Cook County housing ordinance also covers
  - Housing status (e.g., homeless)
  - Source of income (excl. housing choice vouchers)
- Local ordinances may cover additional bases (e.g. City of Chicago includes housing choice vouchers)

Facts

- Nationwide, 10,000+ charges filed yearly
- Most common allegation: discrimination in the terms and conditions of the sale or rental
- An estimated 3.7 million incidents occur annually
- Housing discrimination is perpetuated by other elements such as segregation, predatory lending, and gentrification

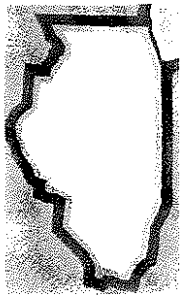
Reported Housing Discrimination in Illinois

IDHR Housing Division FY2012:

Inquiries.....1046
Charges Filed..... 313
Completed Investigations..... 366

Bases of Discrimination:

Physical/Mental Disability 42%
Race..... 37%
Familial Status..... 14%
National Origin/Ancestry..... 13%
Sex..... 10%
Retaliation..... 6%
Sexual Orientation/Gender Identity... 4%



Note: many charges were filed under more than one basis

How to Protect Yourself

- ❑Learn about fair housing laws
- ❑Make sure your staff and agents follow the law
- ❑Challenge your stereotypes (attend diversity training)
- ❑Have policies and practices and follow them consistently

Who Is Bound by the Fair Housing Laws?

Any person engaging in real estate transactions:

- Landlords
- Property owners
- Property management companies
- Condominium or housing associations
- Real estate brokers, salespersons and appraisers
- Agents of all the above
- And…

And…

- Lending institutions and their agents
- Building developers and architects and their agents
- Insurance companies
- Newspapers
- Municipalities

What is Covered?

- Both commercial and residential transactions are covered:
  - State law covers all real property for sale, exchange, rental or lease
  - For purposes of appraisals and loans, only residential property is covered.

What Do Fair Housing Laws Prohibit?

- Discrimination in the sale or rental of real estate
  - Racial steering
  - Discouraging
  - Exaggerating drawbacks
  - Failing to mention positives
  - Communicating incompatibility
  - Segregating

What Else Do Fair Housing Laws Prohibit?

- Discrimination in the terms, conditions or privileges of a real estate transaction
  - Sexual harassment and harassment
  - Insurance redlining
  - Refusal to provide municipal services or property or hazard insurance for a dwelling
  - Differential treatment (repairs, lease violation notices)

Discrimination in Advertising

- Printing, circulating, posting, mailing, or publishing a written or oral statement, advertisement or sign indicating an intent to discriminate on a prohibited basis

Applies to anyone placing ads:

- Landlords, home sellers, housing providers, realtors, lenders
- Ad agencies, publishers, newspapers, directories, multiple listing services

ADVERTISING: Is This Legal?

APARTMENT FOR RENT

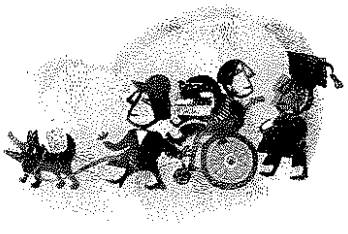
2 Bedroom/2 Bath, $1500 per month
No more than 2 people preferred
Living room has a fireplace, master bedroom has walk-in closet, second bedroom makes for a great office. Hardwood floors. Located in a quiet 10 floor building. Walking distance to the train.

Tips for Advertisers – what message are you sending?

- Describe the apartment and neighborhood in neutral language
- Detail the application procedures
- Give the address/nearest intersection
- Use diverse models (race, family type, disability)
- Describe the property, not your idea of who would want to live there.

Disability Issues

- Housing providers must make **reasonable accommodations or modifications** for persons with disabilities



Examples of Reasonable Accommodations for Disabled Persons

- Change in parking rule
- Reserved accessible parking space
- Different way to get mail or pay rent
- Change in due date for rent
- And…

Accommodation in pet policies for a guide, hearing or support dog - if needed by a person with a disability

- Cannot refuse to rent or discriminate in terms, conditions or privileges
- Cannot charge a pet deposit
- May charge for actual damages
- Cannot require certification or training for the animal

Reasonable Modifications for Disabled Persons

- If necessary to afford such person full enjoyment of the premises
- **At the expense of the tenant**
- Landlord may require the tenant to pay into an escrow account

Examples of Reasonable Modifications for Disabled Persons

- Adding support bars to bathroom
- Removing doors
- Changing sink to accommodate a wheelchair
- Adding an exterior ramp

Exemptions From Fair Housing Laws

Owner-Occupied Exemptions:

- Apartments in buildings with 4 units or less if the owner lives in one of the units ("Mrs. Murphy" exemption)
- Room rental in a private home if the owner resides in the building
- BUT NOTE: Some local ordinances cover all dwellings (e.g. Cook County, City of Chicago)
- No exemption re: race discrimination

Other Exemptions (limited):

- Non-profit religious organizations may give housing preference based on religion
- Certain types of affordable housing units may segregate by disability
- "Senior housing" may discriminate against families with children (not applicable to HUD-insured or HUD-subsidized buildings, or to Housing Authorities if household is otherwise qualified (age, income, unit size)

Requirements for Accessible New Construction

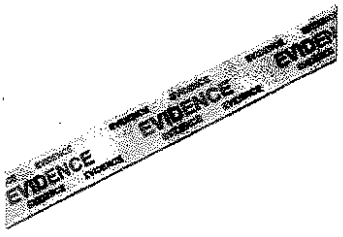
- Applies to most multi-family buildings of 4 or more units; if no elevator, then just the ground floor is covered
- Includes requirements such as accessible entrance, 36" route within the dwelling, accessible common use areas, higher wall plugs, lower light switches, and usable kitchens and bathrooms

Investigating Charges

- Intake
- Service of charge
- Investigation
  - Interview complainant and respondent
  - Obtain documents
  - On-site
  - Interview other witnesses

Evidence of Discrimination

- ❑Signs or ads
- ❑Statements
- ❑Disparate treatmen
- ❑Testing evidence
- ❑Documents
- ❑Witness testimony



Defenses

- ❑Legitimate non-discriminatory reason
- ❑Favorable treatment of others in the protected class
- ❑Reasonable local, state, or federal occupancy standards
- ❑Exempt

Tips for Respondents

- Tell the truth
- Keep good records—document actions
- Have stated policies and practices and follow them
- Document reasons for deviations from policies

Remedies and Damages

- Civil penalties
- Injunctive and equitable relief
- Monetary damages for actual damages suffered, such as higher rent costs, emotional damages
- Attorneys fees and costs
- Federal court and some local ordinances allow for punitive damages (e.g. Cook County, City of Chicago)

Scenario 1

An apartment seeker who uses a wheelchair has found a second-floor apartment in an older walk-up building. He asks the landlord to put in an elevator so he can reach the unit, but the landlord refuses.

Scenario 2

A rental complex advertises a spacious one-bedroom apartment. When a couple with a newborn applies, the property manager turns down their rental request, saying that a one bedroom is not sufficient for three people.

Scenario 3

A woman applies for an apartment. She has good credit and the required deposit. When the property manager calls the prospective tenant's previous landlord, she finds out that the woman and her ex-partner used to throw loud, late-night parties that caused some of the other tenants to complain. The property manager turns down her rental application.

Scenario 4

A woman with a ten-year-old son and a high credit score, excellent landlord references and adequate income from child support and Social Security disability benefits is denied housing in favor of an elderly, retired couple with lower credit scores, lower income and no references.

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(EXAMPLE ONLY)

Happy Acres Apartments

APPLICATION FOR RESIDENCY

NAME_____**SOCIAL SECURITY #**_____

DATE OF BIRTH_____PLACE OF BIRTH_____

SPOUSE'S NAME_____**SOCIAL SECURITY #**_____

DATE OF BIRTH_____PLACE OF BIRTH_____

TOTAL NUMBER OF MINORS TO OCCUPY UNIT_____ LIST AGES_____

CURRENT ADDRESS_____ SINCE_____

CITY_____ STATE_____ ZIP_____ PHONE_____

LANDLORD' NAME_____ PHONE_____

PREVIOUS ADDRESS_____ SINCE_____

CITY_____ STATE_____ ZIP_____

LANDLORD' NAME_____ PHONE_____

PREVIOUS ADDRESS_____ SINCE_____

CITY_____ STATE_____ ZIP_____

LANDLORD' NAME_____ PHONE_____

HAVE YOU EVER BEEN EVICTED OR HAD A FORCIBLE DETAINER FILED AGAINST YOU?

REASON_____

DRIVERS LICENSE #_____ STATE_____ EXP. DATE

SPOUSE'S DR.LIC. #_____ STATE_____ EXP. DATE

VEHICLES - YOU OWN, ARE BUYING, AND/OR WOULD BE PARKING ON THE PROPERTY:

(MAKE/MODEL/YEAR/COLOR/LICENSE PLATE #/EXP. DATE/STATE)

PLACE OF EMPLOYMENT_____

ADDRESS_____CITY_____ PHONE_____

DATED STARTED_____ POSITION_____ SUPERVISOR_____

GROSS INCOME_____ PER_____

SECOND/FORMER EMPLOYER

ADDRESS_____CITY_____ PHONE_____

DATED STARTED_____ POSITION_____ SUPERVISOR_____

GROSS INCOME_____ PER_____

SPOUSE'S EMPLOYER

ADDRESS_____CITY_____ PHONE_____

DATED STARTED_____ POSITION_____ SUPERVISOR_____

GROSS INCOME_____ PER_____

ANY ADDITIONAL INCOME - STATE SOURCE AND AMOUNT:

_____

NAME OF BANK BRANCH/ADDRESS TYPE OF ACCOUNT ACCOUNT NUMBER

_____

_____

CREDIT REFERENCES:

CREDITOR'S NAME TYPE OF ACCOUNT ACCOUNT NUMBER MONTHLY PMT. IN WHO'S NAME

_____

_____

_____

_____

TWO PERSONAL REFERENCES:

NAME_____

ADDRESS_____**CITY**_____

PHONE_____**RELATIONSHIP**_____

NAME_____

ADDRESS_____**CITY**_____

PHONE_____**RELATIONSHIP**_____

Have you ever been convicted of a crime, placed on probation/parole, is there a current warrant for your arrest, or are you currently involved in any criminal activity?

Explain:

All information furnished on this application is to the best of my knowledge, complete and accurate. Discovery of false or omitted information constitutes grounds for rejection of this application. You or any agent of your choice may verify any and all information from whatever source you choose. I authorize all persons/or firms named in this application to freely provide any requested information concerning me and hereby waive all right of action for any consequence resulting from such information.

I acknowledge payment of $_____ as a nonrefundable fee for the purpose of processing this application.

Applicant_____ **Date**_____

Spouse_____ **Date**_____

(EXAMPLE ONLY)

STATEMENT OF RENTAL POLICY

THIS COMMUNITY WILL NOT DISCRIMINATE AGAINST ANY PERSON BASED ON RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, FAMILIAL STATUS, OR DISABILITY.

OCCUPANCY STANDARD: TWO (2) PERSON MAXIMUM OCCUPANCY PER BEDROOM

RENTAL APPLICATION EVALUATION GUIDELINES:

T Age Requirement: Lease holder(s) must be 18 years or older. All occupants 18 years or older will be required to complete an application (even if living with parent or guardian). Co-signers are not accepted.

T Income Requirement: The gross monthly income of all lease holder(s) will be considered jointly and must equal _____ times the rental amount on the apartment. All income must be verifiable.

T Employment Verification: *Lease holder(s) must be currently employed, or provide written evidence of regular income sufficient to at least ___ times the rental amount on the apartment, for the lease term.

T Self Employment: Must provide the previous year's personal income tax return and the previous two (2) months personal bank statements as evidence of sufficient income. Persons who hold jobs that are commission only, or base salary plus commission, or tips, bonuses will be considered self employed.

T Residency: Up to two (2) years residency history will be reviewed and must exhibit no derogatory references. Any debt owed to a Concierge property must be paid before lease can be approved.

T Credit Requirements: The credit history will be reviewed and no more that ___% of the total accounts reported can be over 60 days past due, or charged to collection in the past two years.

T Pets: All pets are subject to property policy.

T Application Fee: A $____ non-refundable application fee is required per application.

T Criminal History: Must exhibit no criminal conviction involving violence, fire arms, illegal drugs, theft, crimes involving theft, or destruction of property, or any crime involving a minor.

This will include person(s) who have received deferred adjudication and/or have not yet satisfied the probationary period of a deferred adjudication for any of the above mentioned offenses.

ADDENDUM TO THE APPLICATION:

Are you a current illegal abuser of a controlled substance?_____ Have you ever been convicted of the illegal use, manufacture, sale or distribution of a controlled substance?

I UNDERSTAND AND ACCEPT THESE QUALIFYING STANDARDS AND HAVE TRUTHFULLY ANSWERED ALL QUESTIONS. FURTHER, I UNDERSTAND THAT FALSIFICATION OF RENTAL APPLICATION INFORMATION WILL LEAD TO DENIAL OF RENTAL. CONCIERGE MANAGEMENT CORPORATION'S RENTAL POLICIES ARE GUIDELINES, WHICH ENABLE US TO ACCEPT AS PROSPECTIVE RESIDENTS THOSE INDIVIDUALS WHO ARE CREDITWORTHY AND DO NOT HAVE A CRIMINAL BACKGROUND. THIS RENTAL POLICY DOES NOT INSURE THAT ALL INDIVIDUALS RESIDING ON OR VISITING THE PROPERTY CONFORM TO THESE GUIDELINES.

_____ / _____		_____ / _____	
Prospective Resident	Date	Prospective Resident	Date
_____ / _____		_____ / _____	
Prospective Resident	Date	Agent For Owner	Date

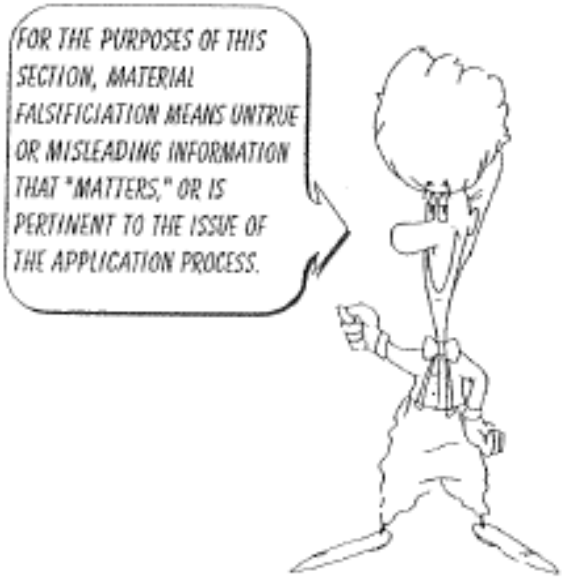
SCREENING AGENCIES

Many applicant screening agencies will provide credit checks, eviction searches, and offer to search local or county court records for criminal data pertaining to your prospective tenants. While many of these companies make claims, the results they get may vary as greatly as the costs.

It is important to *shop around* for the best results, using a control group of names currently being processed. **Screening resource lists from the National Apartment Association and Chicagoland Apartment Association are provided as a supplement to this chapter.** You will find that licensed private investigators can provide the same service, including searching multiple courts and jurisdictions.

MATERIAL FALSIFICATION

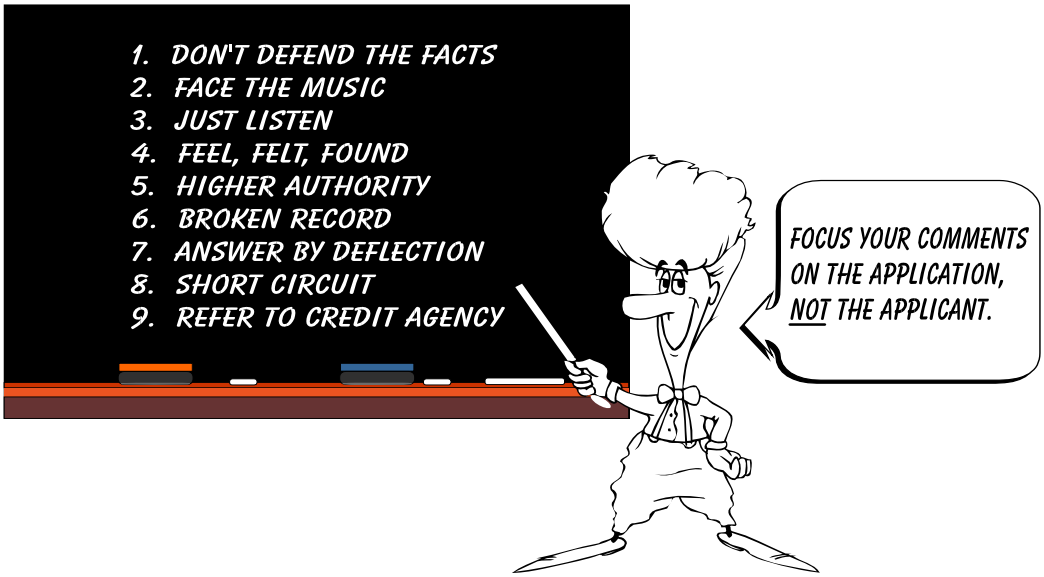
If there is a material falsification of the information provided on the rental application, the manager may serve a 1 0-day notice to the resident to terminate the rental agreement if the information is not corrected. If the corrected information provided would have disqualified the applicant in the beginning, the manager may proceed with the 10- day written notice (for violation of lease agreement).



Ensure that the applicant understands a false application constitutes a lease violation. Have this in writing. Check with your attorney or management company on the best way to accomplish this, whether on the application, on the lease, or as part of an addendum.

If the mistake was unintentional and the resident would have qualified anyway, the manager should void the 1 0-day notice.

REFUSING AN APPLICATION



Try to resolve the applicant's questions by using as few of these techniques as possible.

1. Don't Defend the Facts
2. Face the Music
3. Just Listen
4. Feel, Felt, Found
5. Higher Authority
6. Dumb Broken Record
7. Answer By Deflection
8. Short Circuit
9. Refer Applicant to Credit Agency

BOTTOM LINE:

PLAN YOUR WORDS VERY CAREFULLY --

DISCRIMINATION SUITS ARE FILED WHEN MANAGERS SAY TOO MUCH!

Note. This is derived from an article that appeared in Property Management Magazine October 1992

APPLICANT SCREENING CONCEPTS

The WORST time to screen your residents is..... . during the eviction process!!!

As a rental property owner, or manager, in many respects you have more power than the police. You have the power to prevent problems from moving into your property and *you have the power* to move them off.

You should use the most thorough process possible to screen prospective tenants. Financial institutions measure a person's "credit worthiness" before issuing a loan. You should be measuring for an applicant's "tenant worthiness" (a predictor of what kind of resident they will be). This can be accomplished by not only checking the applicant's credit history, but also their criminal history and their rental history. The rental history includes evictions, lease violations, and rental background (do they change apartments often, or before the lease expired, and contact with previous landlords).

J. Denton Dobbins, a prominent Arizona attorney, advises that if property managers utilize better screening procedures they can expect:

- Good tenants
- Deferred maintenance costs
- A better living environment
- Residents who notify you of problems.... not create problems
- A waiting list for prospective tenants

Chris McGoey, The Crime Doctor, a nationally known crime prevention expert relates that a "good application" can be an *effective* screening tool in and of itself.

This section contains several examples of forms and documents (applications, screening policies, etc.). These items are provided simply as an example and are not specifically endorsed. What works for one property may not work as well for you. Discuss your applicant screening policy and process with your lawyer or an attorney experienced in landlord/tenant law. Adopt and develop screening criteria that suits your needs and that you and your attorney feel comfortable with. Your final goal and purpose is to protect yourself, protect your property, and protect your tenants.

RESIDENT SELECTION CRITERIA GUIDELINES
FOR .APARTMENTS
EFFECTIVE FEBRUARY 23, 2004

All applications for residency will be evaluated without regard to the applicant's race, color, religion, sex, gender identity, handicap, familial status, national origin, age, marital status, military status, military discharge status, ancestry, disability, sexual orientation, parental status, housing status or to the extent required by applicable law, source of income.

Applicants must satisfy the following specific income, credit, landlord reference, employment criteria and criminal background report:

INCOME CRITERIA:

- Single Adult Applicant: The proposed monthly rental payment of a single applicant shall be no more than 33% of the applicant's monthly gross income.

- Two Adult Applicants: Where two adults are using their income to qualify under these Guidelines the proposed monthly rental payment shall be no more than 33% of the applicant's combined monthly gross income.

- Three or More Adult Applicants: Where three or more adults are using their income to qualify under these Guidelines, the proposed monthly rental payment shall be no more than 20% of their combined monthly gross income.

- "Income" means salary and wages from all employment, interest income, dividends, and pension, social security, alimony and/or child support payments (when directed by court order and continuously paid). Written verification may be requested from the applicant to confirm the stability of income.

- Income requirements may be waived for those applicants who have sufficient other verifiable liquid assets (such as, for example, cash, checking and bank accounts, stocks and bonds). These funds may be verified through current bank statements, brokerage statements and other tangible record evidence of such assets. The amount of other verifiable liquid "sufficient" funds for purposes of waiving the standard income requirements must exceed an amount equal to three times the annual rent due under the proposed lease.

CREDIT CRITERIA:

All applicants shall submit to screening and shall satisfy the acceptance criteria and thresholds established by Landlord and the Landlord's third party resident screening provider. Acceptance criteria and thresholds shall incorporate applicant's credit history (including, without limitation, past or current bad debts, late payments, outstanding balances due landlords, unpaid bills, liens and judgments) and at a minimum, the following additional requirements:

- Zero (0) eviction records;

- Zero (0) current bankruptcies; and

- Zero (0) completed/discharged bankruptcies in the past twenty four (24) months

EMPLOYMENT CRITERIA:

All applicants must have at least one (1) year of continuous full time employment prior to application and must also demonstrate that they are employed at the time of application unless;

- Applicant is a full time student or;
- Applicant is disabled or retired.

CRIMINAL BACKGROUND CRITERIA:

A criminal background check will be run on applicants and the application will be rejected if;

- Applicant has been convicted of;
    - Any felony offense within twenty (20) years prior to the date of the application;
    - or one (1) or more misdemeanor offenses within five (5) years prior to the date of the application.
    - Such offenses involve violence, theft, prostitution or the manufacture, distribution or possession of a controlled substance (including, without limitation, any of the following offenses: solicitation to commit, attempt to commit, sexual abuse or exploitation, public indecency, assault, battery, arson or disorderly conduct).
    - If at the time of application an applicant is subject to pending criminal proceedings in which a felony or one of the Misdemeanor Offenses is charged, Landlord may defer the assessment and evaluation of applicant's application until said proceedings have concluded and the charges have been dismissed or a judgment entered.

Any one of the following items will cause rejection of the application:

- The financial institution on which the check was drawn did not honor applicant funds.
- Applicant has a past history of not meeting his or her financial obligations based on an investigative consumer report.
- Applicant receives poor landlord references (i.e. poor rental payment history, violates management rules, disruptive behavior, or does not maintain apartment).
- Applicant's source of income is not lawful or stable. If an applicant works without receiving payroll checks or is self-employed, income must be established with a copy of the applicant's personal tax return for the previous year.
- Applicant has submitted false or misleading information on his or her application.
- Applicant is less than 18 years old.
- Applicant is visibly, objectively drunk or appears to be under the influence of drugs, or is abusive as evidenced by objective conduct, such as physical violence, threats or profanity.
- Applicant has attempted to bribe a member of the staff in order to obtain an apartment.

- Applicant has applied for an apartment, which is inadequate in size relative to the number of persons who will reside there. *See occupancy standards.

- Applicant is a foreign national who does not provide the following information:

  - Valid social security card and number, or

  - Current visa indicating basis for United States residency (i.e. student, exchange visitors or work visa); and,

  - If residence is permitted pursuant to a work visa, necessary proof may include:

    - A letter from applicant's employer confirming current employment, or

    - if residence is permitted pursuant to a student visa, a current I-20 ID (Certificate of Eligibility for Non-Immigrant (F-1) student status) completed and signee by the school attended by applicant together with a copy of applicant's letter of attendance to the school.

A third party resident screening provider will analyze credit and an "accept" or "reject" judgment will be made. In addition, the site is required to confirm employment by having the applicant(s) submit either two recent pay stubs or letter of employment. Landlord history is also to be verified by contacting the appropriate person.

GUARANTORS:

When the Income Criteria is not satisfied, guarantors will be pe1mitted to guaranty the obligations of applicants under the following conditions:

- Applicant's employment history does not satisfy the Employment Criteria; or

- Applicant's income *is* not sufficient under the Income Criteria set forth above, but is not more than 40% maximum; or

- Applicant is a full time student in an accredited educational institution.

The guarantor must meet the Resident Selection Criteria Guidelines, with the exception that the monthly **rent shall not exceed 20% of the guarantor's monthly gross income.** The guarantor must submit a completed application, along with the appropriate investigative consumer report fee.

National Apartment Association
NSC Suppliers Guide / Resident and Employee Screening

Allied/ResidentCheck
Jorge Baldor, President
4230 LBJ, Suite 407
Dallas, TX 75244
972/404-0808 ext.114;
Fax: 972/692-7977
jbaldor@residentcheck.com
www.residentcheck.com

CBCAmRent an affiliate of CBCInnovis
Linda Richer, Director of Resident Screening
Christian Hoegh-Guldberg, National Sales Representative
P.O. Box 605
Columbus, OH 43216
614/222-5355; Fax: 614/222-4111
www.cbcinnovis.com

Fidelity Information Corporation
Scott LaMay, Business Development
17383 Sunset Blvd., Suite A-370
Pacific Palisades, CA 90272
800/845-1086; Fax: 310/230-0021
scott@gofic.com
www.goFIC.com

On-Site.com
Joseph Marcino, Vice President, Sales
Jake Harrington, Business Development Manager
105 Fremont Avenue, Suite D
Los Altos, CA 94022
866/2ON-SITE; Fax: 877/FAX ON-SITE
sales@on-site.com
www.on-site.com

RealPage, Inc.
Andrea Massey,V.P., Marketing
4000 International Pkwy.
Carrollton, TX 75007-1913
1-87-REALPAGE; Fax: 972/820-3383
marketing@realpage.com
www.realpage.com

RentGrow, Inc.
Anne Schwegman,Director, Products, Services
Michael J. Lapsley, President
275 Wyman St., Suite 14
Waltham, MA 02451
800/736-8476; Fax: 781/290-0687
sales@rentgrow.com
www.rentgrow.com

Talx Corporation - The Work Number® Service
Resident and Employee Screening
Frank Casso, Sales Manager
1850 Borman Ct.
St. Louis, MO 63146
314/214-7248; Fax: 314/214-7588

American Computer Software
Ken Saunders, Director of Product Marketing
Denis Clark, VP Sales and Marketing
4660 Duke Dr., Ste 210
Cincinnati, OH 45040
513/492-5844; 800/236-1596;
Fax: 513/792-5821
marketing@domin-8.com
www.domin-8.com

Contemporary Information Corporation
William Bower, President
25044 Peachland Avenue #209
Santa Clarita, CA 91321
800/288-4757; Fax: 800/677-8494
wbower@continfo.com
www.continfo.com

First Advantage SafeRent
Monte Jones, Vice President, Sales
Nevel DeHart, Executive Vice President
7300 Westmore Road, Suite 3
Rockville, MD 20852-5223
800/999-0350; Fax: 301/ 881-6703
mjones@FADVSafeRent.com
www.FADVSafeRent.com

Premier Information Center
Randy Veres, Account Executive
Marla Fogle, Account Executive
301 E. Virginia, 2nd Floor
Phoenix, AZ 85004
602/744-3703; Fax: 602/744-3768
kkoga@merchantsinfo.com
dwhipple@merchantsinfo.com
www.merchantsinfo.com

Reliable Background Screening
Rudy Troisi, President
P.O. Box 22215
Phoenix, AZ 85028
800/787-2439; 602/870-7711;
Fax: 602/870-7524
sales@reliablescreening.com
www.reliablescreening.com

Resident Data, A ChoicePoint Service
Resident and Employee Screening
Mike Davis, Director of Sales
Bill Reddoch, AVP Sales
12770 Coit Road, Suite 1000
Dallas, TX 75251
800/487-3246; Fax: 972/705-9976
sales@residentdata.com
www.residentdata.com

Highlighted companies WILL accept small property clients as of Dec. 2006. This does NOT constitute endorsement by the Village of Schaumburg

Chicagoland Apartment Association
Resident Screening

Fidelity Information Corporation
17383 Sunset Blvd., Suite A-370
Pacific Palisades, CA 90272
(319) 573-9944
Toll Free (800) 845-1086
Fax (319) 230-0021
http://www.gofic.com

First Advantage Saferent
310 Busse Highway #318
Park Ridge, Il 60068
George Lisenbe, Great Lakes Bus. Mgr.
(847) 297-6121
Toll Free (888) 297-8821
Fax (847) 297-6123
http://www.FADVSafeRent.com

On-Site.Com
1515 South Prairie Ave., Suite 405
Chicago, Il 60605
(708) 686-6749
Fax (877) 329-6674
http://www.onsite.com

Rentgrow, Inc.
275 Wyman St.
Waltham, MA 02451
Kim, Brenna, Sales
(800) 736-8476
Fax (781) 290-0687
http://www.rentgrow.com

Resident Data, A Choicepoint Service
12770 Coit Rd., Suite 1000
Dallas, Tx 75251
Courtney Eovaldi, Regional Sales Mgr.
(972) 972-1480
Fax (972) 705-9976
http://www.www.residentdata.com

Residentcheck. Com
4230 LBJ Freeway, Suite 400
Dallas, TX 75244
Michael Speanburg
(972) 419-0150
Fax (972) 233-5365
http://residentcheck.com

RS Group of Companies (Rentshield)
15 West Lake Dr.
South Barrington, Il 60010
(847) 649-3354
Fax (847) 649-3084
http://www.residentshield.com

Screening Reports, Inc.
729 N. Rt. 83, Suite 321
Bensenville, Il 60106
Timothy Fortner, Owner
(866) 389-4042
Fax (866) 389-4043
http://www.screeningreports.com

Transunion Credit Retriever
5889 S. Greenwood Plaza Blvd. #201
Greenwood Village, CO 80111
John Hall, Marketing Mgr.
(303) 302-1930
Fax (412) 486-8780
http://www.creditretriever.com

SAMPLE SCREENING REPORT (Explanation on Page 3)

Prepared For: Screening Reports

Account #:	0002A	Attn:	NA
Phone:	952-545-3953	Fax:	
Date Ordered:	08/27/2002	Completed:	08/27/2002 1
Report Type:	COMPLETE	Reference:	NA
Charges:	$35.00	Proofed By:	Tim
File #:	2987E	Client Type:	

Screening Reports, Inc.
729 N Route 83 #321
Bensenville, IL 60106
Phone (866) 389-4042 (630) 694-1670
Fax (866) 389-4043 (630) 694-1672
www.screeningreports.com

Applicant

2 TESTCASE, BARBARA — Name
9932 WOODBINE AV — Address
CHICAGO, IL 60693
001-01-0418 — SSN
02/01/1950 — Birthdate
License

Additional Search Results

3 AKAs: ELIZABETH N DUNCAN, ELIZABETH COOK,

Fraud Protection

Social Security Number	

Provided: 001-01-0418
Status: Issued SSN 4
State Issued: New Hampshire

*** Social Security Numbers can only be validated to being issued or not issued. They may be valid numbers but issued to a different person. If no credit report is found please request to see the applicant's social security card and State ID.

Criminal Record

*****Criminal records are gathered at State and County levels. Cross reference duplicates by Date, Docket, and Offense.*****

Name Offense	Level Disposition	Date	County	Docket
BARBARA TESTCASE	MISD	09/01/1999	COOK	9599959559
RETAIL THEFT 5	GUILTY 6			
BARBARA TESTCASE	MISD	05/28/1999	MCHENRY	99999999
POSSES CANNABIS	GUILTY			
BARBARA TESTCASE	ORDINANCE	01/31/2002	WILL	2002564654
NOISE COMPLAINT	GUILTY			

Employment References

Employer Verified By	Start Date Phone #	Finish Date Salary
WALMART	10/01/2000	CURRENT
MARY - MANGER	630-036-0361	$10.00/HOUR 7
FULL TIME / CASHIER		

SAMPLE SCREENING REPORT (Explanation on Page 3)

Screening Reports Database

Address City, State, Zip Verified By / Management Co.	Move Out Move In Phone #	Rent Amount Lease Terms Deposit Withheld	Roommates Proper Notice
8932 WOODBINE AV		$900.00	0
CHICAGO, IL 60693	10/01/2000	ANNUAL	YES
JIM-MANAGER / NOTSOPLEASED APARTMENTS	630-630-6301		
1 X 5 DAYS LATE / $1500 DAMAGE TO UNIT / WOULD NOT RENT AGAIN			
10301 WESTWOOD	10/01/2000	$850.00	0
CHICAGO, IL 60693	09/01/1998	N/A	YES
SUE - MANAGER / LAKESIDE APARTMENTS	630-360-3601		
CURRENTLY OWES $850 / NON-PAYMENT OF RENT / UNDISCLOSED ADDRESS			

8 9

Credit Report Summary

Public Records:	1	Collections:	1	Negative Trade Lines:	0
Revolving Accts:	1	Installment Accts:	0	Mortgages:	1
Credit Score: (350 low - 850 high)	550	Total Trade Lines:	2	Inquiries:	34

10

	High Credit	Credit Limit	Current Balance	Past Due	Monthly Payments	Available
Mortgage	$47,000	$0	$31,400	$0	$130	0 %
Closed w/Bal	$0	$0	$100	$0	$0	0 %
TOTALS	$47,000	$0	$31,500	$0	$130	0 %

11

Collections

Collection Agency Name Original Creditor	Opened Last Reported	Closed	Placed Amount	Balance Owed	Comments
RISK MANAGEM AMERITECH IL ACCOUNTS	03/01 04/01		$205	$205	PLACED FOR COLLECTION

12

Public Records

Description Docket #	File Date Paid Date	Court Plaintiff	Assets Liabilities
CHAPTER 7 BANKRUPTCY FILING 93B38521	07/93	CIRCUIT COURT	$230,000 $0

13

Credit Information

Creditor Name Type of Account Account Number	Opened Verified Closed	High Credit Credit Limit Balance	Monthly Payment	Past Due Amount	Delinquency 30 / 60 / 90 (Days Late)	Manner Of Payment
FILENES CREDIT CARD	06/89 12/96 12/93	$500 $0 $100	$0	$0	0 / 0 / 0	R01
BANK AMERICA	11/87 12/96	$47,000 $0 $31,400	$130	$0	0 / 0 / 0	M01

14 15

Credit Inquiries

1 We put the start and completed date on every report to assist you in monitoring our turnaround times.

2 Applicant's name, address, social security number and birthdate. (Please confirm that this information is accurate.)

3 AKAs, (Also Known As) These names are other names this person has used in the past on credit cards or loans.

4 SRI verifies all social security number. We display the State the number was issued in and if the number is a valid possible number.

5 Criminal records are listed with the charge in bold.

6 Since we report all arrest, warrants and convictions, criminal dispositions are listed on every file.

7 Employment references are gathered by contacting the HR departments for each employer. SRI will fax, call and mail to ensure we recieve accurate employment information

8 Rental References are verified with the county listed owners. We confirm payments and violations.

9 SRI investigates all previous address, even the address reported by the credit buruea. (undisclosed addresses)

10 Credit Scores, As a good rule of thumb a score between **700-850** is considered "A" credit, **600-699** "B" credit and **400-599** "C" credit.

11 We report you ac current monthly payment total for each debit to income ratios.

12 Every collection account will report the collection company and the original creditor

13 Public records section will include, tax liens, bankruptcy and judgements

14 Manner of Payment is a rating of each account provided by the credit bureau. Rating are between 01-09 and start with O,R,I,M or C

O = Open Account	**00 = Not rated**	**08 = Repossession**
R = Revolving	**01 = Pays ontime**	**09 = Charge Off**
I = Installment	**02 = 30-59 days past due**	**9B = Collection**
M = Mortgage	**03 = 60-89 days past due**	**9P = Paid 09 Account**
C = Credit	**04 = 90-119 days past due**	**UC = Unclassified**
	05 = 120 days or more	**UR = Unrated**
	07 = Wage Earner Plan	

15 Monthly payments are also broken down to each trade line.

16 Credit Inquiries will show you who else is viewing your applicant's credit. (Watch for other apartments that have screened your applicant reciently)

Sample Report : Applicant is Approved

RESIDENT DATA, INC
APPLICATION ANALYSIS

Recommendation: APPROVED
Unit Application ID: 670549

Property Name:	Resident Data, Inc		
Submitted By:	CRYSTAL	**Property ID:**	102019
Phone Number:	972-952-1480	**Accounting ID:**	102019
Apt or Unit Number:	2313	**Receive Date:**	3/10/2003 4:58:27 PM
Monthly Rent:	$ 679	**Return Date:**	3/10/2003 4:58:41 PM

Application Instructions and Results

THE UNIT APPLICATION IS APPROVED

Rent to Income Summary

Applicant	Type	Credit Score	Monthly Income	Rent to Income	Min Income Req
ROBIN R SMITH	APPLICANT	551	$ 2,700	25.15 %	$ 2,058

Property Qualifying Criteria

Ref #	Applicant	Individual Status	Type	Applicant ID
	ROBIN R SMITH	APPROVED	APPLICANT	912390

I	Criteria Description	Criteria/Override
P	Applicant has no bankruptcy in the last 24 months.	CR 101
P	Applicant has no legal items in the last 24 months.	CR 104
P	Applicant has no tax liens in the last 24 months.	CR 105
P	Applicant has no outstanding debt to previous landlords in the last 84 months.	CR 106
P	Applicant has 50 % or fewer credit accounts rated 3 or higher in the last 24 months.	CR 110
P	Applicant has 75 % or fewer credit accounts rated 3 or higher in the last 24 months.	CR 111
P	Applicant has positive check verification.	CV 201
P	Applicant has no felony conviction records matched in the last 100 years.	CM 301
P	Applicant has no VCAP conviction records matched in the last 100 years.	CM 302
P	Applicant has no serious misdemeanor records matched in the last 100 years.	CM 303
P	Applicant has no convictions (excluding DWI and DWLS) in the last 100 years.	CM 304
P	Monthly rent is equal to or less than 33 % of Applicant's income.	RI 401
	Monthly rent is equal to or less than 17 % of Guarantor's income.	GI 440
P	Applicant has no record found in the registered sex offender database.	SX 501
P	Applicant has no eviction record in the past 84 months.	EV 701
P	Applicant has no RDI Apartment Collections in the past 84 months	CO 806
P	Applicant has less than 1 late pays or NSF checks in the past 6 months in the RDI SkipWatch database.	SW 850
P	Applicant has less than 1 default and/or eviction notices in the past 84 months in the RDI SkipWatch database.	SW 851
P	Applicant has no eviction filed in the last 84 months in the RDI SkipWatch database.	SW 852
P	Applicant has no major adverse action records in the last 84 months in the RDI SkipWatch database.	SW 853

P = Pass
F = Fail

Sample Report : Applicant is Declined

RESIDENT DATA, INC.
APPLICATION ANALYSIS

Recommendation: DECLINED
Unit Application ID: 662052

Property Name:	Resident Data, Inc.		
Submitted By:	ERICA	Property ID:	101790
Phone Number:	972-952-1480	Accounting ID:	101790
Apt or Unit Number:	59	Receive Date:	3/1/2003 12:54:11 PM
Monthly Rent:	$ 650	Return Date:	3/1/2003 1:03:34 PM

Application Instructions and Results

THE UNIT APPLICATION IS DECLINED

Rent to Income Summary

Applicant	Type	Credit Score	Monthly Income	Rent to Income	Min Income Req
JOSE H GARCIA	APPLICANT	542	$ 2,000	32.50 %	$ 1,912

Property Qualifying Criteria

Ref #	Applicant	Individual Status	Type	Applicant ID
1	JOSE H GARCIA	DECLINED	APPLICANT	901008

I	Criteria Description	Criteria/Override
P	Applicant has established credit history in the last 24 months.	CR 100
F	Applicant has no outstanding debt to previous landlords in the last 24 months.	CR 106 (1053)
P	Applicant has 50 % or fewer credit accounts rated 4 or higher in the last 24 months.	CR 110
P	Applicant has no electrical and gas / water utility debt in the last 24 months	CR 117
P	Applicant has positive check verification.	CV 201
F	Applicant has no criminal records (excluding DWI and DWLS).	CM 300 (None)
F	Applicant has no felony conviction records matched in the last 20 years.	CM 301 (None)
P	Monthly rent is equal to or less than 34 % of Applicant's income.	RI 400
	Monthly rent is equal to or less than 34 % of Guarantor's income.	GI 440
	Applicant has no record found in the registered sex offender database.	SX 501
F	Applicant has no eviction record in the past 24 months.	EV 701 (None)
P	Applicant has no RDI Apartment Collections in the past 24 months	CO 806
P	Applicant has less than 3 late pays or NSF checks in the past 12 months in the RDI SkipWatch database.	SW 850
P	Applicant has less than 1 default and/or eviction notices in the past 24 months in the RDI SkipWatch database.	SW 851
F	Applicant has no eviction filed in the last 24 months in the RDI SkipWatch database.	SW 852 (None)
P	Applicant has no major adverse action records in the last 24 months in the RDI SkipWatch database.	SW 853

P = Pass
F = Fail

Check Writing Summary

Applicant	Status
JOSE H GARCIA	APPROVED 4151

Credit Report Summary

	Account Ratings (collections included in rating 9)									
Applicant	1	2	3	4	5	6	7	8	9	Credit Score
JOSE H GARCIA		1							1	542

Criminal Record Search

Records Match (Name or Alias)	DOB	Felony or Misdemeanor	VCAP	Sentence Date	Disposition Date	Confinement Term	Probation Term
JOSE H GARCIA	10/19/62	FELONY		04/02/1998	04/02/1998		3Y
	White, Male, 5'09", 185, BRN HAIR, GRN EYES, Search in CO						
	AGGRAVATED ASSAULT WITH A DEADLY WEAPON						

The criminal records displayed above are obtained from public records based on a name or alias match. In addition, to the name, the applicant generally must match birth date or other personal identifying information to be considered a match. Due to the possibility of an applicant sharing the name and birth date of another individual, it is possible that the applicant is matched in error. Further review is advised. The accuracy of the match is also based on the accuracy of the public records obtained and the accuracy of the applicant information submitted. Direct the applicant to contact Resident Data if you or the applicant believes an error is shown.

SkipWatch

Applicant	Adverse Action	Property Name	Apt #	Phone	Balance	Reported
J[illegible] H GARCIA	Eviction Filed	Preston Greens	33B	303-222-5555	$1,187	5/1/2002

Landlord Debt or Negative Mortgage Results

Applicant	Customer ID	Customer Name	Type/Status	Balance	Date
JOSE H GARCIA	146YC02069	THE CROSSING AP	Unpaid	$4,199	03/2002

Eviction Search

Applicant	Eviction Addresses	Date	Appartment Name
JOSE GARCIA	13900 ALBROOK DR DENVER CO 80239	02/12/2002	VISION REAL ESTATE
JOSE GARCIA	13900 ALBROOK DR DENVER CO 80239	02/27/2002	VISION REAL ESTATE

Additional Comments

Applicant	Additional Comments
JOSE H GARCIA	Rejected: Applicant failed criteria 701 which has no override.

Credit Bureau Addresses

Applicant	Date Reported	Credit Bureau Addresses
JOSE H GARCIA	08/2002	1955 ULSTER ST APT 327 DENVER CO 80220
	04/2002	3692 FAIRFAX ST DENVER CO 80207
	01/2002	13900 ALBROOK DR APT 804 DENVER CO 80239

Fair Screening for Non-U.S. Citizens

Consistency is key when screening non-U.S. citizen applicants.

BY LINDA RICHER

Screening applicants from an ethnically and culturally diverse population need not present a higher risk of discrimination for a rental community. Careful applicant screening and policy control can improve an apartment community performance, while at the same time reducing the risk of Fair Housing Act violations by eliminating bias in the application process.

Understanding the Law

When screening non-U.S. citizen applicants, property management firms must consider federal, state and local laws to remain in compliance with fair housing laws.

Management should conduct staff training or ask its current screening provider to educate company staff members about the Fair Housing Act, the Fair Credit Reporting Act, as well as state and municipal codes in their markets. In 2003, the Fair and Accurate Credit Transactions Act (FACT Act) made permanent the uniform national standards of credit markets and instituted new, strong consumer protections.

HUD Offers Screening Guidelines

The U.S. Department of Housing and Urban Development offers clear guidelines regarding citizenship status (www.hud.gov/offices/fheo/library/sept11.cfm). According to HUD, asking prospective residents to provide documentation of their citizenship or immigration status during the screening process does not violate the Fair Housing Act. HUD regulations actually outline the process for collecting and verifying such documents.

However, the policy of apartment owners and managers regarding documentation must be consistent for all residents. The HUD Web site offers an example. A person from the Middle East who is in the United States applies for an apartment. Because the person is from the Middle East, the owner requires that the person provide additional information and forms of identification and then refuses to rent him the apartment.

Later, a person from Europe who is in the United States applies for an apartment at the same community. Because the person is from Europe, the owner does not have the person complete additional paperwork, does not verify the information on the application or check identification and rents the apartment. This is disparate treatment on the basis of national origin and, therefore, violates the Fair Housing Act. In this example, citizenship or immigration status should have been asked of both non-U.S. citizen applicants.

NAA provides a Supplemental Rental Application for Non-U.S. Citizens as an addendum to its lease. The form, which is only to be filled out by non-U.S. citizens, asks the applicant to show the apartment owner documentation from the U.S. Immigration and Naturalization Service (INS) that authorizes the applicant to be in the United States.

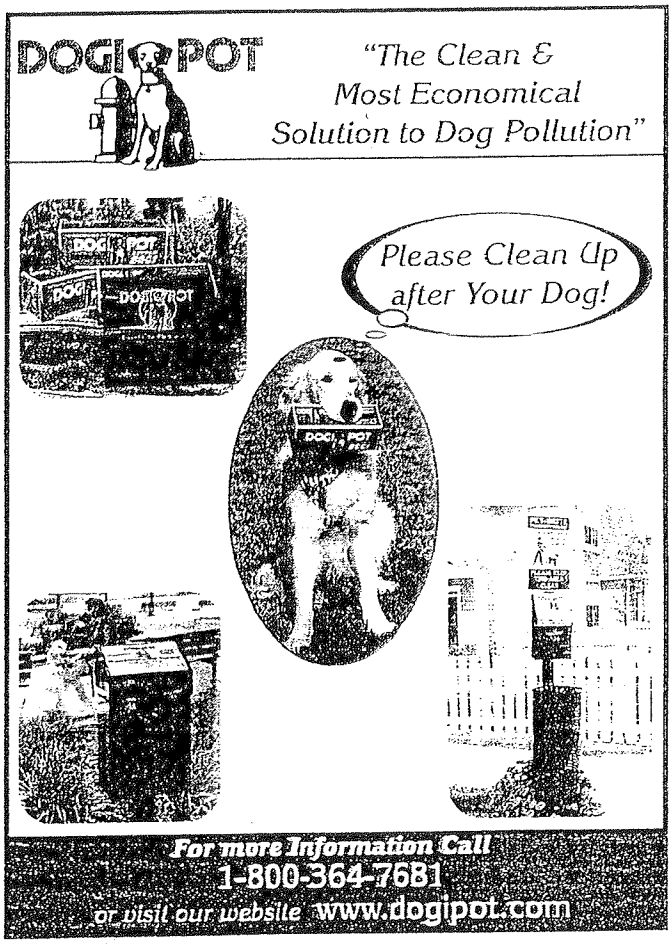
It is not illegal to refrain from using the form, nor is it unlawful to use the form as long as it is used in a manner consistent with fair housing laws, which prohibit housing discrimination on the basis of religion or national origin. Therefore, an owner cannot refuse to rent to a foreign national who meets the rental criteria, just because the applicant is a foreign national and not a U.S. citizen.

Checking Criminal Records

Criminal background reports also are recommended as a measure to screen out potentially dangerous or disruptive residents. Because criminals are not a protected class under the Fair Housing Act, communities can take additional measures to safeguard against criminal activity.

Online resources, such as the Office of Foreign Asset Control (OFAC) database, assist apartment owners in identifying known terrorists without the fear of discrimination. Resident screening companies typically offer OFAC checks as a service for a nominal fee or include it as part of their screening package.

Linda Richer is Director of Resident Screening for AmRent, a national resident screening provider. She can be reached at lricher@cbc-companies.com.



This page is located on tile U.S. Department of Housing and Urban Development's Homes and Communities
Web site at http://www.hud.gov/offices/fheo/library/sept11.cfm

Response to concerns about housing security following September 11, 2001

Rights and Responsibilities of Landlords and Residents in Preventing Housing Discrimination Based on Race, Religion, or National Origin in the Wake of the Events of September 11, 2001

In response to the widespread concern of future terrorist attacks, landlords and property managers throughout the country have been developing new security procedures to protect their buildings and residents. Many have educated their residents on the signs of possible terrorist activity and how to communicate security concerns to management or law enforcement. Landlords and property managers are working to keep their buildings safe, but at the same time they are responsible for making sure their efforts do not infringe on the fair housing rights of current or potential residents. Since the attacks of September 11, 2001, persons who are, or are perceived to be, Muslim or of Middle Eastern or South Asian descent have reported increased discrimination and harassment, sometimes in connection with their housing. To help address this growing concern, the following is a review of federal fair housing laws and answers to some questions regarding housing discrimination that have been raised since the events of September 11, 2001.

The Fair Housing Act

The Fair Housing Act (the Act) prohibits discrimination because of race, color, religion, sex, national origin, disability, and familial status in most housing related transactions. Further, the Act makes it unlawful to indicate any preference or limitation on these bases when advertising the sale or rental of a dwelling. The Act also prohibits harassment of anyone exercising a fair housing right and retaiiat1on against an individual because s/he has assisted, or participated in any manner, in a fair housing investigation.

Screening and Rental Procedures

It is unlawful to screen housing applicants on the basis of race, color, religion, sex, national origin, disability, or familial status. In the wake of the attacks of September 11, 2001, landlords and property managers have inquired about the legality of screening housing applicants on the basis of their citizenship status. The Act does not prohibit discrimination based solely on a person's citizenship status. Accordingly, asking housing applicants to provide documentation of their citizenship or immigration status during the screening process would not violate the Fair Housing Act. In fact, such measures have been in place for a number of years in screening applicants for federally-assisted housing. For these properties, HUD regulations define what kind of documents are considered acceptable evidence of citizenship or eligible immigration status and outline the process for collecting and verifying such documents.* These procedures are uniformly applied to every applicant. Landlords who are considering implementing similar measures must make sure they are carried out in a nondiscriminatory fashion.

Example 1: *A person from the Middle East who is in the United States applies for an apartment. Because the person is from the Middle East, the landlord requires the person to provide additional information and forms of identification, and refuses to rent the apartment to him. Later, a person from Europe who is in the United States applies for an apartment at the same complex. Because the person is from Europe, the landlord does not have him complete additional paperwork, does not verify the information on the application, and rents the apartment. This is disparate treatment on the basis of national origin.*

Example 2: *A person who is applying for an apartment mentions in the interview that he left his native country to come study in the United States. The landlord/ concerned that the student's visa may expire*

during tenancy, asks the student for documentation to determine how long he is legally allowed to be in the United States. If the landlord requests this information, regardless of the applicant's race or specific national origin, the landlord has not violated the Fair Housing Act.
*See HUD Regulations at 24 CFR 5.506-5.512

Rules and Privileges of Tenancy

A landlord must make sure s/he enforces the rules of tenancy in a nondiscriminatory manner. A landlord's response to a violation of the rules must not differ based on the person's race, religion, or national origin. A landlord may not impose more severe penalties because the person is Muslim, of Middle Eastern or South Asian descent.

While landlords must be responsive to complaints from tenants, they should be careful to take action against residents only on the basis of legitimate property management concerns. Landlords should consider whether a complaint may actually be motivated by race, religion, or national origin.

Example: *A landlord receives a complaint from a tenant who claims a Muslim tenant is "having a group of about five or six other Muslim men over to his apartment every Monday night." The tenant claims "the men appear unfriendly" and thinks they may be "up to something." However, the tenant's visitors do not disturb the other residents in their peaceful enjoyment of the premises. A landlord could be accused of religious discrimination if he/she asks the tenant to refrain from having Muslim guests when there is no evidence of any violation of established property management rules.*

Landlords must also give all tenants the same privileges. A landlord cannot limit the use of building amenities such as community rooms, gyms, etc. based on person's race, religion, or national origin.

Example: *A landlord typically allows building residents to reserve the community room for activities such as birthday parties. When a tenant who is Arab American asks to reserve the building's community room for a birthday party for his son, his request is denied even though the room was available. Later, the landlord grants the reservation to a tenant who is white, of European descent. By failing to give persons of different national origins the same privileges, this landlord could be accused of national origin discrimination.*

Responding to Problem Tenants

The Fair Housing Act does not protect tenants who are unruly or who pose a danger to other residents. Landlords are allowed to take action against persons, whose behavior is disruptive to the neighborhood, including evicting such persons from the property. Of course, landlords must have the same eviction procedures for all tenants. Any disciplinary action taken must be on the basis of a person's behavior or other violations of property management rules, and not on race, national origin, religion, sex, color, disability, or familial status.

Landlords also do not have to rent to persons who do not financially qualify for the housing and may evict tenants who are delinquent in their payments. As long as the landlord uses the same standards to determine if an applicant is financially suitable and takes the same action against all persons who fall behind in payments, the landlord’s actions would not violate the Fair Housing Act.

Filing a Complaint

If you feel your rights have been violated, you may file a fair housing complaint with HUD by doing any of the following:

- Completing our online complaint form
- Calling our toll free number 1-800-669-9777
- Writing a letter that includes
  - Your name and address
  - The name and address of the person your complaint is about
  - The address of the house or apartment you were trying to rent or buy
  - The date when this incident occurred
  - A short description of what happened

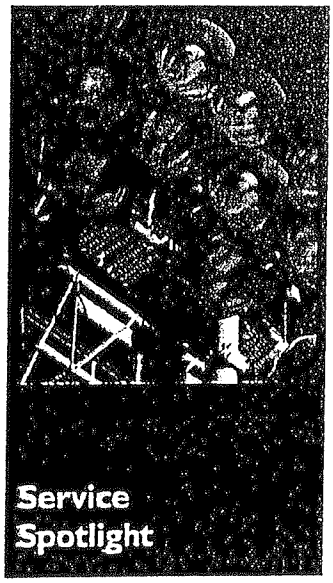
Then mail it to:

Office of Farr Housing and Equal Opportunity
Department of Housing and Urban Development Rm. 5204
451 Seventh Street SW
Washington, DC 20410-2000

HUD will investigate the complaint at no charge to you. You have one year after an alleged violation to file a complaint with HUD, but you should file as soon as possible. For more fair housing information, visit the web site for HUD's Office of Fair Housing and Equal Opportunity at www.hud.gov/fairhousing.

Content updated January 6, 2003

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 Fine the address of a HUD near you.



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Weeding Out Prospects

Resident screening is vital, and not as confusing as you think

BY KIM FERNANDEZ

The phrase "resident screening" can strike terror in the hearts of otherwise perfectly rational property managers. While they know they really should be carefully screening prospective residents before having them sign the lease, they also know that an increasingly litigious society can make doing so risky for their properties and their companies. After all, a discrimination lawsuit, even when struck down in court, can be devastating to a business.

As a result, many communities do little more than a credit check when signing on new residents; many small property owners don't even go that far. Overwhelmed by the regulations and restrictions on what can and cannot come into play when considering signing on a new resident, managers shy away from interviews or questionnaires, instead preferring to go on that credit report or, worse, their guts when deciding whom to sign and whom to reject. What they may not realize is that such a tactic is actually more likely to land them in court than a proper resident screening program.

The good news is that resident screening isn't as complicated as many believe. In fact, establishing and sticking with a fair and consistent screening program can be a real revenue saver, not to mention highly effective stress relief for anxious managers.

So how can a property establish a program that's fair, legal and effective? Listen to the experts.

The Importance of Screening

Nevel DeHart, Senior Vice President of First American Registry, doesn't mince words when it comes to screening prospective residents. "Resident screening is the most important day-to-day decision a property manager can make," he says. "A community's overall integrity and profitability are directly correlated to how well its residents have been screened."

Others in the screening business agree, including Edward F. Byczynski, President of National Tenant Network. "Unknowing acceptance of an applicant who is likely to violate the terms of the lease or rental agreement can have a devastating effect on an apartment community. From the abuse of the good residents and management staff to property destruction and financial loss, the results of poor resident selection practices destroy the financial well being of the community, its reputation and livability," he says.

Failing to adequately screen residents, experts say, can lead to unexpected problems, including nonpayment of rent, fraudulent transactions, and even damaged or destroyed property from irresponsible renters. And all of that means lost revenue for the apartment owner.

"Many times, accepting a bad resident can be more expensive than an empty apartment," says Linda Bush, CEO of SafeRent Inc. "The multifamily housing industry loses $4 billion annually to bad debt. Accurate, predictive resident screening allows properties to increase their bottom lines by reducing risk and finding the most qualified residents."

That bad debt can devastate a property; on the flip side, implementing a screening program may help boost a property's income substantially. "A 1 percent improvement in economic vacancy, or the same percentage increase in rents, can help properties generate tens of thousands in additional net operating income (NOI) or funds from operations (FFO)," says Dave Carner of RealPage Inc. "Combined, these small incremental changes can increase a property's value 5, 10, maybe 15 percent."

Screening Methods

So, fine. Property managers need to screen residents. But what can and can't they ask to stay within Fair Housing laws? And how can they avoid legal pitfalls that can arise from ba screening practices?

It's relatively simple, say

experts. The most important factor is consistency—asking the same questions and researching the same information for every single prospective resident regardless of race, religion or outward appearances. Then, having gathered that information, it's vital to apply the same criteria to every single applicant when deciding whom to accept and whom to send packing. As Bush says, "Properties need to make sure they are evaluating everyone on the same criteria and not giving any special treatment to one potential resident over another."

"Whatever your resident selection criteria, the single most important factor in defending a claim of discrimination is consistency," she adds. "For example, if you use a screening service, use the same service every time. If you perform criminal background checks, use the same process to obtain the information for every applicant, every time."

Byczynski agrees, and adds that educating leasing staff on fair housing requirements is essential when launching a screening policy. "Asking questions that seem to focus on circumstances or conditions protected by Fair Housing can easily give rise to complaints of discrimination with unfortunate consequences," he says. "Remember, a discrimination complaint is mostly founded on subjective feelings taken out of the application and screening process by a rejected applicant, not on hard facts pointing to improper treatment."

DeHart recommends that all apartment screening policies be spelled out in writing for prospective residents to review, thus avoiding misunderstandings of what's being asked and who may be rejected for a lease. Additionally, he says that having a knowledgeable staff is vital.

"Property managers should require all leasing personnel to attend accredited training seminars that focus on Fair Housing and the Fair Credit Reporting Act," he says.

Others agree. "I would suggest that all applicants fill out an information sheet giving permission to do a credit search," says Marla Merritt of Choice-DATA. "That way, you are covered if they ever question the data you obtained."

On the other hand, screening may help an owner avoid a different, potentially devastating kind of liability suit. "The biggest probably is the liability associated with a convicted criminal who gets through a property's screening process and commits another crime against a person at the site," says Carner. "Courts all across the country have pointed the finger of blame at apartment managers. Accessing criminal information, in areas where it is relatively inexpensive, reliable and instantaneously available is a good method of mitigating risk and reducing liability."

What to Screen For

Most property managers know that a credit screen is fairly basic when it comes to an applicant. But beyond that, there are several important factors to consider when screening a prospective resident:

- **Ability to pay the rent.** DeHart asks, "Do his income and credit obligations allow for housing expenses?" Compare income with expenses to see if your rent will fit into the prospect's monthly budget.

  If he can pay the rent, will he do so? Checking on a prospective resident's past rental payment history is key, experts say. Even if the money is in his bank account to pay every month, don't assume he will. Check out his history to make sure he doesn't have a history of nonpayment at previous residences. Byczynski also recommends checking to see if a prospect has any pending legal actions against him by a previous property manager.
- **History of fraud.** Bush says that a complete screening should include comparing the prospective renter's social security number with that on file with the Social Security Administration. It's not unheard of for renters with iffy renting histories to pick up the social security numbers of deceased individuals to pass credit checks.
- **Criminal background check.** DeHart recommends checking for any criminal past that might indicate a propensity to endanger other residents. And Merritt cautions that not all criminal record checks are created equal: "You have to do a proper search. Not many states have useful statewide information, so you have to do a search at the county level. Then it's hard to know what counties to search," she says.
- **Credit check.** While this is important, Bzczynski says, "This should not be the sole or primary focus of the screening effort."

Other recommended questions to ask include how long the prospective resident has lived in each previous residence and how long he has been employed at his current job.

Small Owners, Same Concerns

"Small properties are sometimes viewed as a haven for applicants that have difficulties getting approved at large communities," cautions Carner. "Applicants that are denied at a larger property will sometimes assume that the smaller properties are less willing or

unable to check sources, such as criminal or eviction backgrounds. For these reasons, small properties have as much risk if not more than larger apartment managers."

Owners of just a few rental units often skip complete screenings of prospective residents due to lack of time or resources. But these owners have no less of a need for complete resident screening than their large-corporation counterparts.

At the same time, they are subject to the same laws and regulations as large rental companies, and their education of such issues is absolutely essential. "The most important thing for small properties to remember is that they are not exempt from the rules, regulations and problems the larger properties have to deal with," Bush says. "Finding services that will screen smaller properties can have positive effects on their business operations too. It is also important for smaller property owners to realize that they are just as susceptible to Fair Housing and Fair Credit issues as the larger properties. They too have to find a way to fairly and objectively approve their residents."

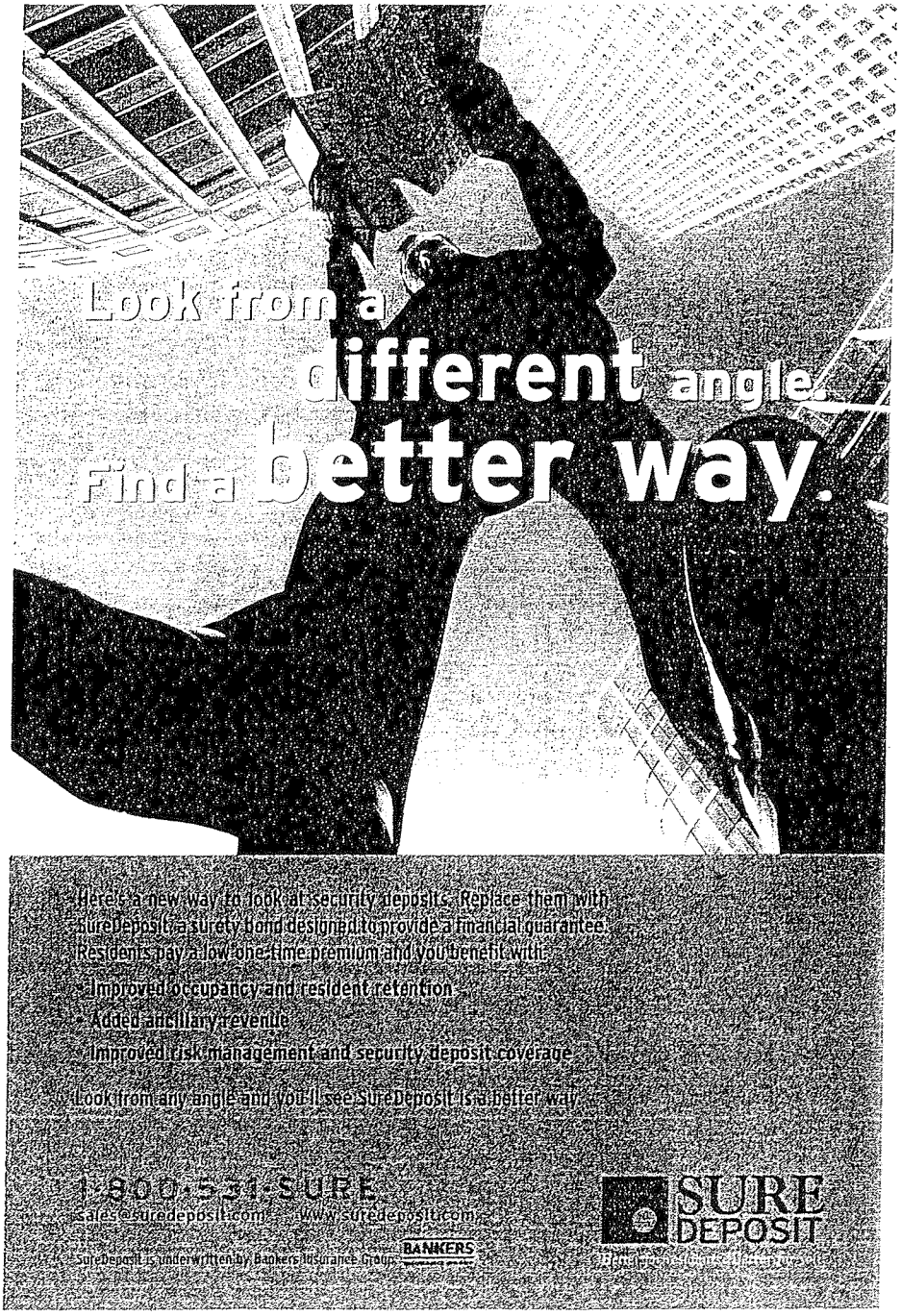
The experts agree that one of the best ways a small property owner can ensure a fair, complete screening of prospective residents is to find and use a screening company that can meet their needs. Since owners of 100 units or fewer rarely have the time or manpower to conduct extensive screenings on their own, finding a vendor to accomplish the task can be a real lifesaver.

"With the increased use of personal computers, most small, family-owned communities have access to the Internet," said Rich Schreiber, COO and Executive Vice President of Sales at RentPort. "This means they now have the opportunity to use the same proven technology to screen applicants that the top 10 management companies rely upon to meet their fair housing requirements."

"Many real estate associations provide insight for their members as to available resources for resident screening," DeHart says. "Additionally, apartment association trade shows are excellent opportunities to speak with screening vendors and learn state-of-the-art processes. Most large national screening companies don't solicit small property owners, so the property owners need to pursue them." ■

Information on Fair Housing presented in this article is not intended as legal advice. Property owners should consult with legal counsel before implementing or using any resident or employee screening program.

Kim Fernandez is a Freelance Writer and has written about the multifamily housing industry since 1994.



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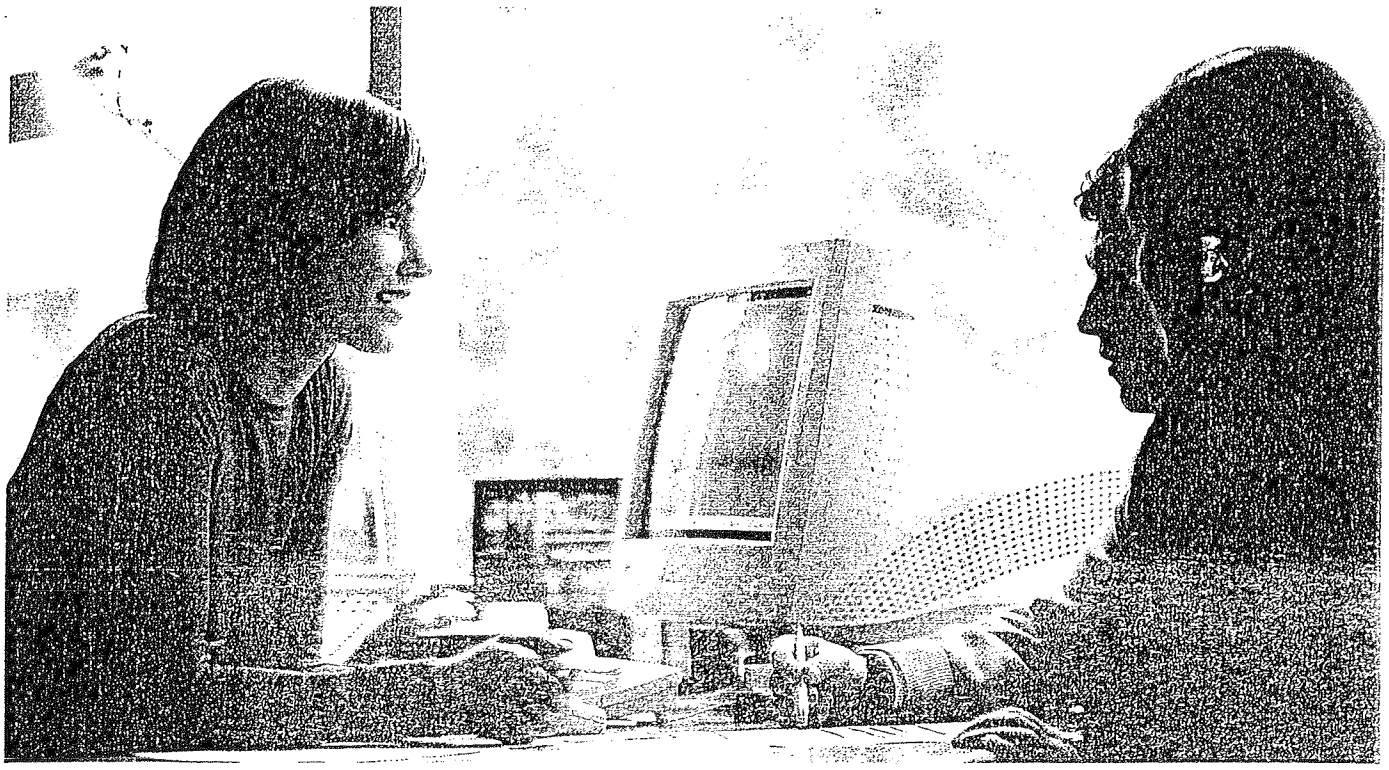
Screen Applicants to Create a Safe Community of Reliable Residents

BY RACHEL F. GOLDBERG



Time spent on prescreening applicants could save time, money and aggravation. Insist that all lines on the application be completed.

With more than enough reasons to screen potential residents—identity verification, credit worthiness and criminal record checks, to name a few—the task should not be taken lightly.

Naturally, the process is better if it is done quickly, or an applicant might choose an apartment home elsewhere, but the ultimate goal is to have a safe community with residents in good standing.

Create A Safe Environment

"Every property owner and manager today wants more than ever to create a safe environment for residents, employees and guests," said Nevel DeHart, Executive Vice President of First American Registry and SafeRent Inc.

"As times change, we are seeing deeper and more thorough background checks and intensified scrutiny becoming commonplace," he said.

Beyond the critical tasks of inspecting an applicant's identification documents for authenticity, DeHart said leasing managers now compare the supplied information against the FBI's list of most-wanted terrorists and criminals.

Some screening providers have added this service automatically to basic credit screening. Some even compare applicant information to a watch list compiled by the Office of Foreign Assets Control (OFAC) within the Department of the Treasury. OFAC enforces trade sanctions against certain individuals and organizations with ties to terrorism and narcotics.

First American Registry's screening service validates an applicant's Social Security number and further identifies aliases and other names associated with the applicant's Social Security number.

Called RegistrySCOREX, the service also automatically cross-checks every applicant against the FBI's and OFAC's watch lists.

In addition to criminal background checks and identification

verification, First American Registry's online screening service provides access to a database of 33 million property owner and resident court records that identify individuals who have failed to pay their rent in the past.

Screen Online

Also watching out for criminals is Reliable Tenant Screening (RTS). RTS is introducing a multi-state criminal search, covering 36 states and more than 100 million records. Presently, the search is available by ordering through RTS. Results are provided within a few hours, said Rudy Troisi, company President. Troisi said that RTS plans to make this service available online in May 2003.

Reliable Tenant Screening also provides a 33-state search of an online sex offender registry and a foreign-born national list. Records are updated by courts and departments of corrections, typically on a monthly basis, Troisi explained.

Richard Schreiber, President of Credit Retreiver/RentPort, said his company also checks for sex offenders and criminals.

"What differentiates us is that we house criminal data. We have the largest private criminal database," he said. Schreiber added that it is important for consumers to understand where providers get their data, how often the databases are updated and the thoroughness of the database checks.

Credit Retriever/RentPort is working on a new "sophisticated matching technology" to enable, "with some degree of certainty," identificaton of individuals with common names, Schreiber said.

A different feature offered by Resident Data/ChoicePoint is The SkipWatch Information Exchange database.

"[The Exchange] allows property owners to exchange information on problem residents in real time. Since the information is shared over the Internet, the information moves much more quickly and is even available to landlords before a resident actually skips a lease," said Lonnie Derden, Vice President, Resident Data Inc. The SkipWatch system is faster than reporting through the credit bureaus and more effective because it is targeted to the multifamily industry, Derden said.

Resident Data also provides advanced risk evaluation of prospects in the areas of credit, income and financial strength to help determine the level of financial risk associated with each applicant, Derden said.

ChoicePoint screens applicants against more than 10 million records from 45 states, including civil court disputes, initial filings of eviction records, dispossessory warrants and property actions. This database is available to Resident Data customers through its National Eviction Search capability. Resident Data searches every state where the applicant has a prior address as part of its search, not just the state where the applicant is applying.

Photos ID

RealPage offers a database that covers 80 percent of the U.S. population with data from state departments of corrections, administrators of the courts and county jurisdictions, said Dave Carner, Vice President of Product Management at RealPage.

RealPage also collects data on fugitives and terrorists from seven jurisdictions, including the Secret Service, FBI and OFAC. Its database includes data from 12 sexual offender registries, as well.

A unique feature RealPage provides, Carner said, is the ability to pull a photo into a report when it is available for sexual offenders, terrorists and fugitives.

In the screening process, RealPage checks multiple jurisdictions, starting with the area where the applicant would like to live and expanding to localities that appear on the credit report, Carner said. All checks are returned in 15 seconds.

NSC Members Who Provide Resident Screening Services

Credit Retriever/RentPort 303/302-1930
First American Registry 800/999-0350
RealPage 87/REAL-PAGE
Reliable Tenant Screening 602/870-7711
Resident Data/ChoicePoint 770/752-5810
The U.D. Registry 800/464-1007

Ask the Basics

While many screening companies offer the latest in technology for quick applicant screening, U.D. Registry Sales Director Gary Glucroft also advocates for performing the basic elements of applicant screening.

Be upfront with prospects—have rental criteria in writing and then list them line by line. Point out what is acceptable and what is not acceptable.

Do not ignore the obvious, he said. Be upfront with prospects—have rental criteria in writing and then list them line by line. Check the length of current employment and require the applicant to supply current and previous pay stubs. Indicate that current and previous residencies will be verified. Ask for a current utility bill to verify the current address on the application.

Point out what is and what is not acceptable credit. Discuss the policy regarding prior evictions and criminal records.

In many cases, by being up front, prospects might recognize that they may be rejected and they will look elsewhere, saving time for both the applicant and the leasing agent. When the application to rent is offered, it is clear that pre-screening has been completed and expectations have been laid out.

Be very clear that the application must be complete. Indicate the required information on the form and specify that "N/As" will not be accepted unless explained.

Applications should accommodate only one adult applicant per form. If several adults apply for a single unit, each should fill out an application to compare any grave inconsistencies. All current and previous residences and employment should include contact information, dates, addresses, etc.

Glucroft understands that time is of the essence when leasing apartments, however, he added, that a few extra minutes initially could save time, thousands of dollars and a huge headache.

He said, if pre-screening is thorough, online instant rental decisions have far greater chances of coming back accept.

Apartment Security

Criminals Want Housing Too

by Chris E. McGoey, CPP, CSP, CAM

Rental housing crime studies have repeatedly shown that moderate to high-crime problems can usually be traced back to a small percentage of residents. Those causing the crime problems are often the acquaintances, ex-spouses, or boyfriends of a legal resident who decided to move in without your permission.

Resident Screening

The best way to head *off* this problem is to practice resident screening and enforce clearly defined and articulated community rules that are emphasized during the lease application process. The resident needs to know that their tenancy may be in jeopardy if they bring in an unauthorized (and unscreened) occupant. Proof of this method is well documented in apartment properties all over the country, as police calls for service seem to fluctuate proportionally as resident screening standards and rule enforcement vary following management changes.

Good resident screening involves checking credit, employment, rental history, and criminal background, if available. A good screening plan should call for all nondependent occupants to be included on the lease and subject to the same resident qualifications. All children should be identified on the lease along with maximum occupancy limits. In this day and age, resident screening is more than just establishing the ability to pay rent. In my experience, properties that tend to have a higher percentage of unauthorized occupants have lowered their screening standards on credit, rental and employment history, and don't do available criminal background checks. A policy of collecting double deposits or getting co-signers for an otherwise unqualified applicant is asking for trouble down the road and is unfair to the other residents.

Criminal Infiltration

When career criminals (usually males) cannot qualify to rent, they will try to infiltrate your property by secretly moving in with a legal resident. As you might expect, these undesirable occupants tend to attract other unsavory characters. The character of your property can change drastically, if left unchecked. The problem becomes acute when these unauthorized occupants are unemployed criminal types who hang out all day and all night and begin to ply their trade within your community. A symptom of this condition is people hanging out in the parking lot and high foot traffic in and out of a unit or group of units.
To fix serious illegal occupancy problems, sometimes you have to clean house and evict residents for non-compliance with your residency requirements. You need to re-emphasize your occupancy standards and then fairly but firmly enforce the rules.
The Crime Free Multi-housing Program lease addendum is a good example of community rules that can be legally enforced. Eviction rates as high as 60 percent have been necessary to regain control over seriously troubled properties. Although financially painful in the short term,

landlords soon get paid back in increased net operating income. It is common to see a property return to profitability after a few months with 98% occupancy rates and a waiting list.

How to Spot Unauthorized Occupants

A fair question often asked is how do you identify an unauthorized occupant versus a short-term social guest? The answer is to "know your residents". This may seem like an impossible task, especially when your community exceeds one hundred units. Your community rules should have a written procedure for notifying management when a social guest has an extended stay and to arrange for a parking space. To solve this identity crisis, property managers around the country have found creative ways to get to know their residents.

What follows are some ideas to help you identify and deal with unauthorized occupants:

- Establish written community rules for visiting social guests
- Add new occupants/roommates to the lease only if they pass screening
- Regularly audit units for unauthorized occupants (formally and informally)
- Photograph each resident for the lease file for 10 purposes (helpful for unit lockouts)
- Assign coded parking spaces and record vehicle information (easy to spot new cars)
- Require parking permit decals on cars and motorcycles
- Require overnight guests to park in designated guest spaces only (get vehicle info)
- Train staff to be alert for illegal occupants, new vehicles, and new children
- Periodically, inspect units (smoke detectors, A/C filters, furnace ventilators, lock checks)
- Always follow up all verbal occupancy warnings with a letter
- Serve non-compliance notices for every rule violation. Be consistent
- Evict residents who violate community rules and house illegal occupants
- Be fair, firm, consistent, and document, document, document

Criminals Want Housing Too

This page is located *on* the U.S. Department of Housing and Urban Development's Homes and Communities
Web site at http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm

Fair Housing--it's Your Right

Fair Housing Act

HUD has played a lead role in administering the Fair Housing Act since its adoption **in** 1968. The 1988 amendments, however, have greatly increased the Department's enforcement role. First, the newly protected classes have proven significant sources of new complaints. Second, HUD's expanded enforcement role took the Department beyond investigation and conciliation into the area of mandatory enforcement.

Complaints filed with HUD are investigated by the Office of Fair Housing and Equal Opportunity (FHEO). If the complaint is not successfully conciliated, FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a Determination, as well as a Charge of Discrimination, and a hearing is scheduled before a HUD administrative law judge. Either party - complainant or respondent - may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court. Whenever a party has so elected, the Department of Justice takes over HUD's role as counsel seeking resolution of the charge on behalf of aggrieved persons, and the matter proceeds as a civil action. Either form of action -the ALJ proceeding or the civil action in Federal court- is subject to review in the U.S. Court of Appeals.

Significant Recent Changes

1. The Housing for Older Persons Act of 1995 (HOPA) makes several changes to the 55 and older exemption. Since the 1988 Amendments, the Fair Housing Act has exempted from its familial status provisions properties that satisfy the Act's 55 and older housing condition.

   First, it eliminates the requirement that 55 and older housing have "significant facilities and services" designed for the elderly. Second, HOPA establishes" good faith reliance" immunity from damages for persons who in good faith believe that the 55 and older exemption applies to a particular property, **if** they do not actually know that the property is not eligible for the exemption and if the property has formally stated in writing that it qualifies for the exemption.
   HOPA retains the requirement that senior housing must have one person who is 55 years of age or older living in at least 80 percent of its occupied units. It also still requires that senior housing publish and follow policies and procedures that demonstrate intent to be housing for persons 55 and older.

   An exempt property will not violate the Fair Housing Act if it includes families with children, but it does not have to do so. Of course, the property must meet the Act's requirements that at least 80 percent of its occupied units have at least one occupant who is 55 or older, and that it publish and follow policies and procedures that demonstrate intent to be 55 and older housing.

   A Department of Housing and Urban Development rule published in the April 2, 1999, Federal Register implements the Housing for Older Persons Act of 1995, and explains in detail those provisions of the Fair Housing Act that pertain to senior housing.

2. Changes were made to enhance law enforcement, including making amendments to criminal penalties in section 901 of the Civil Rights Act of 1968 for violating the Fair Housing Act.

3. Changes were made to provide incentives for self-testing by lenders for discrimination under the Fair Housing Act and the Equal Credit Opportunity Act. See Title II, subtitle D of the Omnibus Consolidated Appropriations Act, 1997, P.L. 104- 208 (9/30/96).

Basic Facts About the Fair Housing Act

What Housing Is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

What Is Prohibited?

In the Sale and Rental* of *Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan.

In Addition: It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional Protection if You Have a Disability

If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities
- Have a record of such a disability or
- Are regarded as having such a disability

your landlord may not:

- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

Example: A building with a “no pets" policy must allow a visually impaired tenant to keep a guide dog.

Example: An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near her apartment if necessary to assure that she can have access to her apartment.

However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.

Requirements for New Buildings

In buildings that are ready for first occupancy after March 13, 1991, and have an elevator and four or more units:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
  - An accessible route into and through the unit
  - Accessible light switches, electrical outlets, thermostats and other environmental controls
  - Reinforced bathroom walls to allow later installation of grab bars and
  - Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units.

These requirements for new buildings do not replace any more stringent standards in State or local law.

Housing Opportunities for Families.

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

- A parent
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
- It is occupied solely by persons who are 62 or older or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.
-

A transition period permits residents on or before September 13, 1988, to continue living in the housing/ regardless of their age, without interfering with the exemption.

If You Think Your Rights Have Been Violated

HUD is ready to help with any problem of housing discrimination. If you think your rights have been violated, the Housing Discrimination Complaint Form is available for you to download, complete and return, or complete online and submit, or you may write HUD a letter, or telephone the HUD Office nearest you. You have one year after an alleged violation to file a complaint with HUD, but you should file it as soon as possible.

What to Tell HUD:

- Your name and address
- The name and address of the person your complaint is against (the respondent)
- The address or other identification to the housing involved
- A short description to the alleged violation (the event that caused you to believe your rights were violated)
- The date(s) to the alleged violation

Where to Write or Call:

Send the Housing Discrimination Complaint Form or a letter to the HUD Office nearest you or you may call that office directly.

If You Are Disabled:

HUD also provides:

- A toll-free TTY phone for the hearing impaired: 1-800-927-9275.
- Interpreters
- Tapes and Braille materials
- Assistance in reading and completing forms

What Happens when You File a Complaint?

HUD will notify you when it receives your complaint. Normally, HUD also will:

- Notify the alleged violator of your complaint and permit that person to submit an answer
- Investigate your complaint and determine whether there is reasonable cause to believe the Fair Housing Act has been violated
- Notify you if it cannot complete an investigation within 100 days of receiving your complaint

Conciliation

HUD will try to reach an agreement with the person your complaint is against (the respondent). A conciliation agreement must protect both you and the public interest. If an agreement is signed, HUD will take no further action on your complaint. However, if HUD has reasonable cause to believe that a conciliation agreement is breached, HUD will recommend that the Attorney General file suit.

Complaint Referrals

If HUD has determined that your State or local agency has the same fair housing powers as HUD, HUD will refer your complaint to that agency for investigation and notify you of the referral. That agency must begin work on your complaint within 30 days or HUD may take it back.

What If You Need Help Quickly?

If you need immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist you as soon as you file a complaint. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of your complaint, if:

- Irreparable harm is likely to occur without HUD's intervention
- There is substantial evidence that a violation of the Fair Housing Act occurred

Example: A builder agrees to sell a house but, after learning the buyer is black, fails to keep the agreement. The buyer files a complaint with HUD. HUD may authorize the Attorney General to go to court to prevent a safe to any other buyer until HUD investigates the complaint.

What Happens after a Complaint Investigation?

If, after investigating your complaint, HUD finds reasonable cause to believe that discrimination occurred, it will inform you. Your case will be heard in an administrative hearing within 120 days, unless you or the respondent wants the case to be heard in Federal district court. Either way, there is no cost to you.

The Administrative Hearing:

If your case goes to an administrative hearing HUD attorneys will litigate the case on your behalf. You may intervene in the case and be represented by your own attorney if you wish. An Administrative Law Judge (ALA) will consider evidence from you and the respondent. If the ALA decides that discrimination occurred, the respondent can be ordered:

- To compensate you for actual damages, including humiliation, pain and suffering.
- To provide injunctive or other equitable relief, for example, to make the housing available to you.
- To pay the Federal Government a civil penalty to vindicate the public interest. The maximum penalties are 10,000 for a first violation and $50,000 for a third violation within seven years.
- To pay reasonable attorney's fees and costs.

Federal District Court

If you or the respondent chooses to have your case decided in Federal District Court, the Attorney General will file a suit and litigate it on your behalf. Like the ALA, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.

In Addition

You May File Suit: You may file suit, at your expense, in Federal District Court or State Court within two years of an alleged violation. If you cannot afford an attorney, the Court may appoint one for you. You may bring suit even after filing a complaint, if you have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and attorney's fees and costs.

Other Tools to Combat Housing Discrimination:

If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.

The Attorney General may file a suit in a Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring.

For Further Information:

The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD Office nearest you.

Content updated November 11, 2002

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 Find the address of a HUD office near you.

TO: Rental Property Owners and Managers

From: Captain Mike Gagich, CFMH Program Coordinator

Subject: Rental Applicant Screening

A thorough applicant screening process is essential if you choose to protect your property, your other rental resident and neighbors, as well as yourself. A credit check may tell you if the applicant pays their bills, but it may not really tell you about their character. A person's past behavior is often a reliable indicator of future behavior Do you want to entrust your investment to a convicted drug dealer, convicted gang member or convicted sex offender?

You may choose to utilize a criminal background check as part of your screening process. The federal fair housing act addresses protected classes. Criminal behavior is NOT a protected class. To prevent complaints of discrimination in your screening process, you should have written criteria and you should apply it evenly and in the same manner with every applicant

Criminal background checks can be obtained from various sources. Many credit reporting agencies can provide this information as part of a comprehensive package. Locally, many private investigative and security agencies may provide such screening services.

Discuss your applicant screening process with YOUR lawyer or an attorney experienced in landlord/tenant law. Adopt or develop screening criteria that suits your needs and that you and YOUR lawyer feel comfortable with. This packet is solely to provide you with general information about rental applicant screening and IS NOT intended as legal advice.

Notice of Disclaimer

Certain portions of the Granite City CFMH workbook and/or this information packet contain description of legal procedures. These descriptions are general summaries and are not intended to provide clear understanding of the legal process. The distribution of the manual and/or information packets is done with the expressed understanding that the City of Granite City, the Granite City Police Department, or their employees are not engaged in rendering legal services. No part of this manual or information packet should be regarded as legal advice or considered as a replacement for the landlord, manager, or owners' responsibility to become familiar with the laws and ordinances of the federal, state, and local governments. You should also be aware that laws change and court rulings affect legal procedures. Thus material in the manual and/or information packets could be rendered obsolete. We urge you to seek the assistance of a qualified and experienced attorney to assist with your rental situations.

Application Criteria

All applicants for residency will be processed through a credit-reporting agency. All responsible parties 18 years of age or older must complete and sign an application. Unauthorized occupants are strictly forbidden.

In reviewing the application, all or part of the following areas will be taken into consideration.

1. CREDIT
All credit status for the last 2 years will be checked through the appropriate ***Credit Bureau.*** The credit history must be free of any outstanding debt to previous landlords, and creditor.

2. RESIDENT/RENTAL HISTORY
The last 2 years resident/rental history is required. All appropriate phone numbers and addresses, where this information may be ***VERIFIED,*** must appear on the occupancy application. All resident history must be free of rental housing evictions, skips and all delinquencies

3. EMPLOYMENT INCOME
Applicant's ***local employment*** must be verified, including salary amount. Monthly rent cannot exceed a certain percentage of the gross monthly income.

4. CHECK WRITING HISTORY
Code must be acceptable.

5. CRIMINAL HISTORY
The criminal records of all household members over the age of 18 will be checked and reviewed for felony and misdemeanor offenses. The information gathered as the result of this check would affect the approval of the application.

This community is committed to CRIME-FREE and DRUG-FREE HOUSING. The lease agreement prohibits criminal activity, including drug related criminal activity on or near our premises.

(This sample is provided for informational purposes. You should create your own policies for the benefit of your residents and employees. You should seek legal review and approval from YOUR attorney_)

Grounds for Denial

Applicants will be denied if they do not meet the community owner's screening criteria. Applicants may be denied for any, and or a combination of any, of the following reasons:

1. Any convictions or pending charges that constitute a misdemeanor or felony, including but not limited to crimes against persons or property, theft/burglary, theft by check, theft of services or materials, prostitution, history of violence, illegal controlled substances, and harboring a fugitive.

2. History of allowing unauthorized occupant(s) to reside in your apartment/townhouse/home as evidenced by landlord's verification(s).

3. History of being an unauthorized occupant on another person's lease where management problems, late payments, evictions, skips, or damages .occurred as evidenced by landlord's verification(s).

4. Poor housekeeping as evidenced by landlord’s verification(s).

5. History of drug abuse as evidenced by landlord’s verification(s).

6. History of paying rent late or poor rental background as evidenced by landlord's verification(s) and/or credit report.

7. Derogatory credit report.

8. History of property damage to apartments/townhouse/home or common areas as evidenced by landlord's verification(s) and/or credit report.

9. History of lease violations as evidenced by landlord's verification(s).

10. History of violence and interference with management's duties and responsibilities as evidenced by landlord's verification(s), government or social agency verification(s), police reports, and/or criminal background checks.

11. No approval code from company used for check writing verification.

Applicants will not be denied on the basis of race, color, religion, national origin, sex, handicap, or familial status.

_____ _____
Applicant Signature Date

_____ _____
Applicant Signature Date

(This sample is provided for informational purposes. You should create your own policies for the benefit of your residents and employees and seek legal review and approval from YOUR attorney.)

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