

**WELLESLEY TOWNHOUSES COOPERATIVE, INC.,
MEMBER AND OCCUPANCY SCREENING POLICY**

Welcome to our community. Wellesley Townhouses Cooperative is a membership based, Michigan Non-Profit Corporation. Before you complete your application for membership to Wellesley Townhouses Cooperative, please take the time to review this screening policy. All individuals wishing to reside in the Cooperative premises will be required to complete our member and occupancy screening in order to be a member or occupant at Wellesley Townhouses Cooperative. Applicants legally married or with adult dependents, and applying for membership will be required to complete a joint screening and acknowledge acceptance below.

It is the policy of this community to comply with all applicable fair housing laws including those which prohibit discrimination against any person based on race, sex, religion, color, familial status, national origin or handicap.

The term "applicant(s)" under this policy means the person or persons that will be signing the Occupancy Agreement and applying for membership in the Cooperative. The term "occupant(s)" in this policy means the person or persons that are authorized occupants under the Occupancy Agreement.

Please also note that these are current membership selection criteria; nothing contained in these requirements shall constitute a guarantee or representation by us that all members and occupants currently residing in the community have met these requirements. There may be members and occupants that have resided in the community prior to these requirements going into effect; additionally, our ability to verify whether these requirements have been met is limited to the information we receive from the various resident credit and criminal reporting services used.

If, after approval of a membership application, a change in circumstances of a member or occupant arises, (i.e., family composition change, employment status change or income composition change), it is the applicant's responsibility to immediately inform Wellesley Townhouses Cooperative.

Failure to provide requested information or documentation within three days of being requested may be grounds for denial of membership and occupancy at Wellesley Townhouses Cooperative. Any material misrepresentation or omission made by an applicant or occupant during the credit and criminal screening process will result in immediate denial of the associated membership application.

Wellesley Townhouses strongly encourages applicants to obtain their own copy of a credit report in the event an adverse or negative mark is a basis for denial of membership and occupancy in the Cooperative. In the event the applicant wishes to review his or her credit report obtained by Wellesley Townhouses during the application process, must do so in accordance with the Fair Credit Reporting Act.

FAMILY SIZE REQUIREMENTS

The household size cannot exceed two (2) persons per bedroom where allowed.

CREDIT SCREENING REQUIREMENTS

Wellesley Townhouses Member/Occupant Screening Policy (09-27-2012)

(Member/Occupant Initials Required)

1. Photo Identification

Valid government issued photo identification must be provided. Acceptable identification includes a current driver's license, passport, and/or state issued photo identification card. A photocopy will be retained for our records. Foreign applicants must provide a copy of their entry visa (I-20, H-1, etc.) and current passport.

2. Prior Residency/Tenancy

At least **four years** of residency history must be provided. In the event that the applicant has not lived in a rental property or owned their personal residence over the past **four years**, either prior history can be provided, a corporate guarantor may be provided, or **four years** of verifiable and positive tenancy references from their prospective roommates, may be used as a substitute. Any negative references by landlords or recent (last **two years**) mortgage foreclosures will result in rejection as a member and occupant.

Occasionally, owners and managers will not provide references due to change in ownership, loss of records or company policy. If at least one previous (not present) reference for a term of a minimum of **one year** is deemed positive, then the applicant may be approved. Absolutely, no evictions may show up during the screening Inquiry. Wellesley Townhouses Cooperative will not investigate whether the resident's position in the case was justified.

3. Employment

Current employment must be independently verified. Applicants are encouraged to provide a recent pay stub with year-to-date totals or a phone number for a supervisor who can verify income. Self-employed applicants must provide their Schedule C or top two pages of their 1040 tax return for the previous year. In order to qualify, an applicant must have worked at the same job or in the same line of work for at least **one year**. The exception is with students who have just graduated from either an undergraduate or graduate institution and have an offer letter for future employment. Otherwise, an applicant may provide liquidity information as a substitute for income. The total gross income of all applicants must equal at least **three times** the monthly carrying charge. Again, evidence of requisite liquidity may substitute for this. Financial aid and/or student loans are considered income. The total award or annual loan proceeds will be divided by 9 months to determine monthly income.

In the event housing assistance or a live in care provider is required by a member or occupant, it is the applicant's responsibility to include those amounts paid to the care provider which are otherwise not included as income or debt. Failure to include this information will be considered a failure to disclose and may be grounds for denial of your application.

4. Liquidity

For an applicant that has no monthly employment income, in order to qualify, he or she must provide liquidity (savings accounts, retirement funds, securities, etc.) verification of at least **three times the annual carrying charge. (One year's needed income)**. A combination of monthly income and liquidity may be used to qualify, if the applicant can verify income status for the previous ten fiscal years. For example, an applicant is applying for membership which requires a carrying charge payment of \$1,000 per month. The applicant makes \$2,000 per month at their job. If he or she has at least \$12,000 in liquidity, the income/liquidity requirements will be met.

5. Credit

A credit report will be run through at least one major credit bureau. All collection accounts and public records must be either paid off or a written explanation must be provided. An applicant may be disqualified if his or her income to debt ratio exceeds his or her ability to satisfy monthly membership and occupancy requirements.

CRIMINAL HISTORY SCREENING

A criminal background check will be conducted for each applicant and occupant age 18 years or more. The application will be denied for any of the following reported criminal related reasons (negative marks) that have occurred on or before the application date:

1. Level I, II, or III Sexual Offenses (NO EXCEPTIONS)
2. Felony level convictions involving crimes against another that include, but are not limited to:
 - A. Assault (including domestic)
 - B. Rape
 - C. Arson
 - D. Child Molestation
 - E. Murder
 - F. Robbery
 - G. Burglary
 - H. Other felony level sexual offense
3. Any felony level offense not involving a crime against another within the past five (5) years. Exceptions to this may be made with proof of stable, verifiable, independent living (such as, but not limited to, rental housing) for at least six (6) consecutive months.
4. Evidence of chronic and continuous criminal activity at the misdemeanor level where the criminal activity involves crimes against another (listed above) or a sexual offense otherwise chargeable according to Michigan statutory laws and local ordinances.
5. Evidence of chronic and continuous criminal activity at the misdemeanor level where the criminal activity is drug or gang related.
6. For felony level drug-related convictions, unless applicant can show successful participation in or completion of a voluntary drug treatment program.

SEX OFFENDER REGISTRY. If you or any of your occupants are listed on the Sex Offender Registry, you will not be permitted to live at Wellesley Townhouses Cooperative. If it is discovered after you move in that you or your occupant(s) are listed on the Sex Offender Registry, you will be evicted immediately.

CONVICTED FELONS. If you or any of your occupants have been convicted of a felony related to a violent, aggressive, or drug-related crime, you will not be permitted to live at

Wellesley Townhouses Cooperative. If it is discovered after you move in, that you or your occupant(s) have been convicted of a felony as described above, you will be evicted immediately.

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MEMBER APPLICANT/OCCUPANT ACKNOWLEDGMENT

By signing below, you acknowledge receipt of the foregoing Selection Criteria Policy on the date stated below. You further acknowledge that your signature indicates that you understand the contents of the policy and that you agree to allow Wellesley Townhouses Cooperative to perform a credit report screening for yourself and a criminal history screening for yourself and all other occupants as described above. You are advised that your signature below does not guarantee that your application will be approved and that in the event a report reflects a negative mark as defined in the above policy your application for membership and/or occupancy may still be denied. I understand and acknowledge that failure to disclose information otherwise required by this policy is material to my application for membership. I further understand and agree that I may request, in writing, a Management Review in the event my application is denied.

Dated: _____

Signature Member/Occupant (Circle One)

Type or Print Name

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