Rental Application Screening Policy

1. Purpose and Fair Housing Statement

Every application is judged by the same criteria written below, applied in the same order, and every decision is documented. This policy applies to all rental units managed by Cherokee Westlawn Apartments, LL in Michigan.

Cherokee Westlawn Apartments, LLC is an Equal Housing Opportunity provider. We do not discriminate based on:

- **Federal Fair Housing Act:** race, color, religion, sex, national origin, disability, familial status.
- **Michigan Elliott-Larsen Civil Rights Act:** age, marital status, sexual orientation, gender identity, or expression.
- **Michigan Persons with Disabilities Civil Rights Act:** disability.
- **Source of income** (Michigan law, effective April 2, 2025, for landlords with 5 or more units in Michigan, including related entities): housing vouchers, Social Security, SSI, veterans' benefits, public assistance, pensions, child support, alimony, and other lawful, ongoing income.

A copy of these criteria is given to every applicant before any application fee is collected. Applications are processed in the order complete applications are received (date and time stamped).

1A. Housing for Older Persons (55+)

Cherokee Westlawn Apartments, LLC operates as 55+ housing, with at least 80% of occupied units having at least one occupant age 55 or older.

Occupancy rules

- Every new household must include at least one person age 55 or older (the "qualifying resident") at move-in.
- Other occupants must be 18 or older. This may include a spouse or partner, an adult family member, or a live-in caregiver.
- No one under 18 may reside in a unit. Guests under 18 may visit for up to 7 days in any 30-day period.
- A live-in caregiver needed because of a disability is managed as giving a reasonable accommodation (Section 11).

Up to 20% exception units. Management may allow a limited number of units without a 55+ occupant, only while the community stays at or above 80%. Exceptions are approved in writing by a manager, in this order of priority:

1. A surviving spouse or partner (18+) of a qualifying resident who died.
2. A remaining occupant (18+) when the qualified resident moves to a care facility.

If granting an exception would drop the community below 80%, it is not approved.

Age verification at application. Each occupant provides one document showing date of birth: driver's license, state ID, birth certificate, passport, immigration document, military ID, or other government-issued record. An adult occupant also signs a certification listing every occupant and confirms at least one is 55 or older. Copies are kept in the resident file.

Ongoing verification. The community updates its occupancy records at every move-in and move-out and conducts a written age survey of all units annually. Survey results and supporting documents are kept on file and available to show the 80% requirement is met.

Advertising and leases. All advertising, signs, websites, applications, and leases describe the community as "55+" or "housing for persons 55 and older." The lease includes the occupancy rules above.

Fair housing still applies. The 55+ exemption covers age and familial status only. All other protections in Section 1, including race, color, religion, sex, national origin, disability, and source of income, apply in full.

2. Application Requirements

Each adult applicant (55+) who will live in the unit must submit a complete application. Incomplete applications are not processed until complete.

Item	What we accept
Identification	Any current government-issued photo ID: driver's license, state ID, U.S. or foreign passport, military ID, or tribal ID
Rental references	Contact information for current and prior landlords
Income verification	See Section 3
Screening reports (with written consent)	National criminal background report, full credit report, national eviction report
Application fee	The same for every applicant. Reviewed Annually.

We do not ask about immigration status unless required by a government housing program that funds the unit.

3. Income Verification

All lawful, ongoing, verifiable income counts equally, whatever its source. Applicants may redact account numbers and unrelated transactions on bank statements.

Income type	Acceptable documents
Employment	Last 90 days (3 months) of paystubs, most recent W-2, or a signed offer letter with start date and pay
Self-employment	Last 2 years of tax returns, or 12-months of bank statements showing deposits
Social Security / SSI / disability	Benefit verification letter, or 3-months of bank statements showing deposits
Housing Choice Voucher or other rent subsidy	Voucher or agency letter showing the subsidy amount

Income type	Acceptable documents
Veterans' benefits, pension, retirement	Award letter or statement
Child support / alimony	Court order or payment history
Other lawful income	90 days (3 months) of bank statements or other written verification

4. Rent-to-Income Standard

Combined gross (pre-tax) monthly household income must be at least **2 times the applicant's share of the monthly rent**.

- **Household income:** income of all adult applicants is added together.
- **Rent subsidies:** a voucher or subsidy is counted toward income. When a subsidy pays part of the rent, the 2x test is applied only to the portion the tenant pays.
- **Irregular income:** average the verified amounts over the documents provided (for example, 90 days of deposits divided by 3).

5. Credit Standards

The credit score considered is derived from the lowest score among adult applicants.

Credit score	Result
700 and above	Approved (Very low risk / Strong credit)
620–699	Approved (Fair to Good)
600–619	Conditional (Borderline). Must have low DTI, solid rental history, or extra cash reserves.
599, No score / thin file	Denied - Does not meet standard.

If there is no credit score the applicant may provide 12 months of on-time rent, utility, and phone payment history. Medical debt is not used to approve/deny an application or counted in debt-to-income.

6. Debt-to-Income (DTI) and Security Deposit

DTI = (all recurring monthly debt payments + the tenant's share of the new rent) ÷ gross monthly household income. Debts include loans, existing mortgages, minimum credit card payments, alimony, and child support paid. Medical debt is excluded.

DTI	Result	Security deposit
Under 36%	Meets standard.	Standard deposit: 1 month's rent
37%–45%	Meets standard if credit is 700+, solid rental history, or extra cash reserves.	Standard deposit: 1 month's rent
46% to 50%	Conditional. If credit is 700+, solid rental	Total deposit of 1.5 times monthly

DTI	Result	Security deposit
	history, or extra cash reserves.	rent
Over 50%	Denied - Does not meet standard.	Not accepted

Michigan cap: a total security deposit may never exceed 1.5 times one month's rent (MCL 554.602). The 1.5x deposit is the full deposit, not an addition to the standard deposit.

Deposit amounts are based only on these criteria and are never increased because an applicant uses a voucher or other source of income.

7. Rental and Eviction History

Only the items below count against an application. Each is limited to the past 3 years.

Counts against the application:

- An eviction **judgment** for nonpayment or lease violation
- An unpaid balance owed to a prior landlord.
- Documented property damage beyond normal wear and tear
- Documented serious lease violations (for example, threats to other residents, unauthorized occupants after notice)

Does not count:

- Eviction filings that were dismissed, withdrawn, or won by the tenant
- Evictions tied to a documented landlord failure to maintain the unit
- A landlord's refusal to give a reference, by itself
- Lack of prior rental history (first-time renters are evaluated on income and credit)

If one adverse item → use Conditional Approval (1.5x deposit).

If two or more adverse items, or an eviction judgment in the past 12 months → use Denial/Does not meet standard. The applicant may provide an explanation or documentation, which staff must consider and record.

8. Criminal History

Criminal history is reviewed to protect the safety of residents, staff, and property. There is no blanket ban: only the convictions listed below are considered, and everyone is reviewed individually.

Never considered:

- Arrests, charges, or citations that did not result in a conviction
- Expunged, set-aside, or sealed records (including records cleared under Michigan's Clean Slate law)
- Juvenile records
- Convictions not listed below (for example, traffic offenses, minor misdemeanors, simple possession)

Convictions reviewed (lookback measured from date of conviction or release from incarceration, whichever is later):

Category	Lookback
Homicide in self-defense	15 years
Manufacture or distribution of controlled substances	15 years
Criminal homicide (murder) Kidnapping, criminal sexual conduct, arson Violent felonies (assault, robbery, home invasion) Felony property crimes (burglary, felony theft, vandalism) Misdemeanor assault, stalking, or domestic violence	N/A: DENIED

Criminal history is not a protected class under federal or Michigan fair housing law, and Michigan has no statewide law restricting criminal screening in private rentals.

Individualized assessment rule: Before any denial based on a listed conviction, the applicant receives written notice and 5 business days to provide information for further consideration.

9. Applicant Conduct

An application may be denied for the following conduct during the application process:

- Threats of violence or property damage toward staff, residents, or others.
- Harassment, abusive, or discriminatory language, directed at staff, residents, or others.
- Knowingly providing false or altered information or documents.

Staff must record the specific words or actions, the date and time, and any witnesses. A manager reviews the record before a conduct-based denial.

Tone, demeanor, communication style, or disagreement are not grounds for denial. Staff should consider whether behavior may relate to a disability or a language barrier and offer an accommodation (Section 10) where it might help.

10. Reasonable Accommodations and Modifications

Applicants with disabilities may request a change to any rule, policy, or procedure in this document, or a physical modification to a unit, at any time. Requests may be made verbally or in writing, by the applicant or someone acting for them.

- Staff record the date and nature of every request and respond in writing within 10 business days.
- When a disability or the need is not obvious, we may ask for reliable verification of the need, but not for a diagnosis or medical records.
- Assistance animals (service and support animals) are not pets: no pet fee, pet deposit, or pet rent is charged.
- A request is denied only if it would impose an undue financial or administrative burden or fundamentally change our operations; we first discuss alternatives with the applicant.

11. Decision Order

Staff apply the criteria in this order and record the result of each step on the Screening Worksheet.

1. **Completeness:** application, ID, consent, and income documents received.
2. **Rent-to-income (Section 4):** 2x met or not met.

3. **Credit (Section 5):** meets, conditional, or not met.
4. **DTI (Section 6):** meets, conditional, or not met; sets the deposit.
5. **Rental and eviction history (Section 8).**
6. **Criminal history (Section 9).**
7. **Final decision:** Approved or Denied.

12. Adverse Action Notices, Documentation, and Records

Adverse action notice. When an application is denied, or approved only with a higher deposit, based in whole or part on a screening report, the applicant receives a written notice (federal Fair Credit Reporting Act) that includes:

- The name, address, and phone number of the screening company.
- A statement that the screening company did not make the decision.
- The applicant's right to a free copy of the report within 60 days and to dispute its accuracy.
- The credit score used, if any, and the key factors affecting it.
- The specific reasons for the decision under this policy.

Documentation. Every application file contains the completed Screening Worksheet showing the result of each step in Section 7, any individualized assessment notes, any accommodation requests, and a copy of the decision letter.

Record retention. All application files, including denied and withdrawn applications, are kept for at least 3 years, secured to protect applicant privacy.

Training and review. Every staff member who manages applications reads this policy and receives fair housing training every 12 months. This policy is reviewed annually and whenever fair housing law changes.