

2.17 APPLICATION PROCESS

SPM accepts and processes applications for each rental unit on a first-come, first-served basis unless program regulations require a waitlist, lottery, or tenant selection plan.

Application Fee - *Refusal to complete the screening process will result in automatic denial.*

To apply, each prospective tenant must submit:

- A completed application
- A non-refundable \$65 screening fee
 - The application fee is non-refundable under all circumstances, including if the applicant withdraws or is denied
 - Must be paid for all applicants and occupants 18 years of age or older
 - Must be paid again if incorrect information requires a re-screen

Approval & Deposit

If approved, the applicant must submit the required security deposit within **24 hours** to secure the unit.

- Deposits must be paid in *one payment* via check, money order, or online portal.

Application Validity

Once screened, an application is valid for **30 days**, unless:

- A subsidy program requires a longer eligibility period, or
- The applicant is placed on a waitlist for a subsidy unit that is not immediately available.

If the applicant does not move forward within the valid timeframe, a new application and additional screening fee will be required.

Applicants with Rental Assistance

Applicants using rental assistance (Housing Choice Voucher, Project-Based Voucher, Section 8, LIHTC, etc.) must provide:

- Proof of program participation (voucher or award letter)
- Required household composition documents
- All income and asset documentation required by HUD or the allocating agency

2.18 SCREENING CRITERIA AND APPLICATION REQUIREMENTS

ALL applications must include a copy of government-issued photo ID

Income Verification

- All financially responsible applicants (and any co-signers) must provide proof of income.
- To qualify, gross monthly household income must be at least two and a half (2.5) times the monthly rent and charges.
- If more than one financially responsible applicant is applying, combined gross income will be reviewed.

Acceptable Proof of Income - Applicants may provide one or more of the following:

- Pay stubs from the most recent one (1) month
- Bank account verification or payroll verification through the online application system (*used to calculate income-to-rent ratio: estimated monthly gross income ÷ monthly rent*)
- Most recent one (1) year tax return in the applicant's name
 - If filing jointly, all individuals listed on the tax return must be listed on the lease as financially responsible
 - If only one person from a joint return will be financially responsible, a corresponding W-2 or 1099 must also be provided
- Current documentation (dated within the last 12 months) for income sources such as:
 - Native American tribal stipend
 - Social Security Income (SSI)
 - Unemployment benefits
 - Child support or alimony
 - GI Bill benefits

Applicants Starting a New Job - If an applicant is relocating from out of state or transferring for work, an employment offer letter is required in *addition* to proof of income.

- Offer letters must be either:
 - On official company letterhead, or
 - Submitted electronically from the employer's official company email domain

Student Applicants - Applicants who are currently enrolled as students may still qualify, but additional documentation may be required:

- If no proof of income is available, the applicant may apply with an approved co-signer and must provide proof of current enrollment (*See Section 2.21 Cosigner Policy.*)
- Proof of a 529 plan may be accepted as a form of current income if the applicant is currently enrolled.

Applicants Receiving Rental Assistance/Vouchers - For applicants using rental assistance (*Housing Choice Voucher, Project-Based Voucher, Section 8, LIHTC, etc.*):

- Income eligibility is determined by program-specific income limits, not standard rent-to-income ratios.
- The tenant's rent portion will be calculated according to HUD or allocating agency guidelines.
- Housing Assistance Payments (HAP) will be verified directly with the issuing agency.
- Applicants will not be denied solely for failing to meet the market-rate income requirement if the subsidy covers the difference.

Credit Requirements - Credit scores are reviewed as part of the screening process and must meet the following guidelines:

- 700+ credit score: Approved with standard deposit (pending all other requirements)
- 600–699 credit score: Will require an increased deposit
(*See Section 2.19 Reasons for Increased Security Deposit Equal to Base Rent.*)
- 599 or below credit score: Will require an increased deposit and an approved co-signer
(*See Section 2.20 Reasons for Increased Security Deposit Equal to Base Rent and Co-Signer.*)

If an applicant believes their credit score is inaccurate, SPM may submit a verification request through Experian RentBureau.

2.19 REASONS FOR INCREASED SECURITY DEPOSIT EQUAL TO BASE RENT

If an applicant meets *one* (1) of the reasons listed below, the required security deposit will be equal to the monthly base rent.

- Monthly gross income falls between 2x and 2.5x the monthly rent and charges
- Credit score is 600-699
- One (1) discharged or non-suit eviction within the past three (3) years
- Bankruptcies discharged within the past five (5) years

Risk Factors:

- If an applicant meets two (2) of the above criteria, the applicant may follow section 2.20 (Base Rent Deposit with Co-Signer).
- If an applicant meets three (3) or more of the above criteria, section 2.23 (Reasons for Denial of Application) will apply.

Rental Assistance/Voucher Applicants – for applicants receiving rental assistance:

- Security deposits may not be increased solely because an applicant uses a voucher or other rental assistance
- Security deposits may not exceed HUD maximum limits, where applicable

2.20 REASONS FOR INCREASED SECURITY DEPOSIT EQUAL TO BASE RENT WITH CO-SIGNER OR 2.5x SECURITY DEPOSIT IN LIEU OF CO-SIGNER

If an applicant meets one (1) of the reasons listed below, the applicant must either:

- Follow the Co-Signer policy, OR
- Choose to pay a 2.5x base rent security deposit in place of a co-signer
 - If an applicant(s) chooses to pay a deposit equal to 2.5x base rent, a completed rental verification from their current landlord will be required. Rental verification will be subject to internal review if unavailable.

Security Deposit Equal to Base Rent AND Co-Signer (or 2.5x Deposit) May Be Required If:

- Monthly gross income falls between 1.5x and 2x the monthly rent and charges
- Credit score is 599 or below, or credit history is unverifiable due to inactivity
- Background history is unverifiable due to the inability to complete a background check

Risk Factors:

- If an applicant meets two (2) or more of the above criteria, section 2.23 (Reasons for Denial of Application) will apply.

Rental Assistance/Voucher Applicants – for applicants receiving rental assistance:

- Security deposits may not be increased solely because an applicant uses a voucher or other rental assistance
- Security deposits may not exceed HUD maximum limits, where applicable

2.21 COSIGNER POLICY

A Cosigner will not be permitted on the lease should one not be required.

All Co-Signers must:

- Submit a completed application
- Pay a \$65 non-refundable screening fee
- Provide acceptable proof of income

Additional requirements include:

- Current SKY Property Management (SKY) residents may *not* co-sign for a prospective resident
- Past SKY residents may only co-sign if they are in good standing with SKY

- Co-signer will be denied if they meet one (1) or more of the criteria listed under:
 - Section 2.19 Reasons for Increased Security Deposit Equal to Base Rent, OR
 - Section 2.23 Reasons for Denial of Application

Security Deposit Requirement with a Co-Signer:

- Applicants who require or choose to use a co-signer will be required to pay an increased security deposit equal to the monthly stated base rent.

Rental Assistance/Voucher Applicants – for applicants receiving rental assistance:

- Household income must be based only on individuals who will reside in the unit
- Assistance programs typically require the household to qualify independently and generally do not allow a co-signer as a substitute for eligibility

A co-signer will only be allowed if it explicitly permitted under the specific rental assistance program guidelines

2.22 LEASE PAY-OUT FOR QUALIFICATION

If an applicant is denied due to insufficient income verification and or/credit requirements, they may still be eligible to rent by paying the full lease term amount upfront. A satisfactory background screening is still required, and an increased security deposit will apply.

Additional Requirements:

- Lender Restrictions – lease pay-out approvals may be limited or denied based on lender requirements for the property
- Payment Terms – lease pay-out payments must be made in certified funds (money order or cashier’s check) at move-in

Renewal Requirements – at renewal, tenants must choose one of the following options:

- Pay the full lease amount upfront for the renewal period, OR
- Re-screen for income and credit qualification
 - A new application and application fee will apply
 - If the tenant meets standard qualification requirements, they may return to monthly payments

2.23 REASONS FOR DENIAL OF APPLICATION

Security Deposit/Qualification Requirements – an application may be denied if the applicant meets:

- Three (3) or more reasons listed in Section 2.19 (Reasons for Increased Security Deposit Equal to Base Rent)
- Two (2) or more reasons listed in Section 2.20 (Reasons for Increased Security Deposit Equal to Base Rent with Co-Signer)

Application or Screening Issues – an application may be denied due to:

- Refusal to complete the screening process
- Falsified, inaccurate, incomplete, or misleading application information
- Unverifiable income source or monthly income below 1.5x the monthly charges

Bankruptcy History – an application may be denied if the applicant has open bankruptcies

Eviction History – an application may be denied for:

- An eviction within the past three (3) years, OR
- More than one (1) discharged or non-suit eviction within the past three (3) years



Rental Verification History – an application may be denied for:

- Refusal to provide previous and or current landlord information for reference
- Improper notice to vacate given
- More than two (2) non-sufficient funds payments in a 12-month period
- More than three (3) late payments in a 12-month period
- More than two (2) lease violations in a 12-month period
- Outstanding monies owed exceeding \$600

Criminal History – an application may be denied if the screening shows a conviction, guilty plea, or no contest plea for the following:

- **Automatic Denial for any conviction involving:**
 - Arson, rape, kidnapping, murder, sex crimes or child sex crimes, financial fraud crimes, crimes against a persons, extensive property damage, drug related offenses (including sale, manufacture, delivery, or possession with intent to sell), class A felony burglary, and or class A felony robbery.
 - **Felony Convictions (within the past 7 years):**
 - Any felony conviction where the date of disposition, release, or parole occurred within the past seven (7) years
 - **Misdemeanor/Gross Misdemeanor Convictions (past 7 years):**
 - Any misdemeanor or gross misdemeanor involving assault, intimidation, sex crimes, drug related offenses, property damage, and or weapons charges where the date of disposition, release, or parole occurred within the past seven (7) years.
 - **Misdemeanor Convictions (past 3 years):**
 - Any class B or class C misdemeanor, or any misdemeanor involving criminal trespass I, theft, dishonesty, prostitution, disorderly conduct
 - **Pending Charges:**
 - An application may also be denied for pending criminal charges and or outstanding warrants.
- All screening results are reviewed in accordance with applicable laws and program guidelines.*

2.24 APPLICATION DENIAL APPEALS

If an applicant is denied and believes the screening report contains inaccurate information, they may appeal the decision by contacting the screening company directly.

If the screening company confirms that any information on the report was incorrect, SKY will review the application again based on the updated results.

2.25 MANAGER'S RIGHT TO REVIEW

SKY reserves the right to adjust the standard application process and/or requirements based on owner requests, market conditions, occupancy rates, or other factors that may arise.

If a market-rate applicant or co-signer's documentation or screening results fall within a narrow margin of denial, the application may be reviewed in full by the Principal Broker.

If a rental assistance/subsidy/voucher program applicants documentation or screening results fall within a narrow margin of denial, SKY may review the application, however, all approval and denial decisions must remain compliant with applicable program regulations.

All decisions will be made in accordance with KHC, KREC, THDA, TREC, and all applicable state requirements