

Selection Criteria and Procedures

All applicants for admission must satisfy the screening criteria set forth below. All determinations of satisfaction by an applicant will be made by the Agent.

Screening Criteria

An applicant's past performance in meeting financial obligations, especially rent, will be considered.

No prior landlord, property owner, or mortgage nonpayment or other rental lease violation;

* No material (exceeding \$250) reported delinquent consumer debt balances (excluding medical bills and student loans) within three months of date of application or written off one year of date of application;

* No history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the past 18 months with balances older than six months;

Applicant's admission to an Income Restricted unit or Market Rate unit, taking into account other financial obligations, the monthly income of the applicant must not be less than 2.5 times the monthly rent amount, supported by verifiable employment income that has been in place for ninety day and expected to continue over the subsequent 12 months of the new lease.

Criminal record check, as allowable by law with respect to all applicants for occupancy in the property, showing no record of past criminal activity as follows:

No record of conviction for manufacturing drugs within the last 10 years;

No record of conviction for distributing drugs within the last 10 years;

No record of conviction for drug possession within the last 5 years;

No record of a felony conviction for a crime against a person within the last 5 years;

No record of a felony conviction for a crime against property, or for concealed weapons possession, within the last 5 years; and

No record of conviction for murder, attempted murder, rape, or attempted rape.

Time served does not count towards the above time tables.

Declaration from head of the household that no family member under 18 years of age has been convicted of a crime classifying him or her as an adult.

Satisfactory home visit to applicant's current home by a representative of (Property name here). Your home will be inspected for cleanliness and evidence of acceptable living standards and personal conduct.

In all instances where unfavorable information would cause an applicant household to fail to meet the screening criteria set forth, best efforts will be made to obtain mitigating information from all available sources.

- (iii) has been evicted from federally assisted housing within the past three years for drug-related criminal activity, unless the evicted household member who engaged in drug-related criminal activity has successfully completed an approved supervised drug rehabilitation program.

5.3 Screening Criteria. All applicants for admission to any dwelling unit in the Residential Community must satisfy the screening criteria set forth below, after consideration (if necessary) of applicable mitigating circumstances, if any. All determinations of satisfaction by an applicant of the screening criteria set forth in subsection (a) below, or of the adequacy of mitigating circumstances, will be made by the Manager.

(a) Screening Criteria. The following screening criteria will be used only to judge an applicant's past practices relating to lease compliance and occupancy issues. Screening criteria will be publicized and made available to applicants upon request. An applicant shall not be rejected unless information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment, or that a substantial risk exists that the applicant will not fulfill its rent obligations timely. Relevant information respecting habits or practices to be considered in making such determinations are as follows:

(i) An applicant's past performance in meeting financial obligations, especially rent, will be considered in determining if there is a substantial risk that such applicant will not fulfill its rent obligations. Factors to be considered are as follows:

(A) Prior landlord, property owner, or mortgagee nonpayment or other rental lease violation;

(B) Material (exceeding \$250) reported delinquent consumer debt balances (excluding medical bills and student loans) within three months of date of application or written off within one year of date of application;

(C) A history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months; and

(D) In the case of an applicant for admission to an Other LIHC Unit or Market Rate Unit, taking into account other financial obligations, the monthly income of the applicant must not be less than 2.5 times the monthly rent amount, supported by verifiable income that has been in place for ninety days and expected to continue over the subsequent twelve months.

(E) In the case of an applicant for admission to a Public Housing Unit, the One-Strike Policy (Exhibit B) will be used to judge each applicant.

(ii) Criminal record check, as allowable by law with respect to all applicants for occupancy in the Residential Community, showing no record of past criminal activity by a household member as follows:

- (A) No record of conviction for manufacturing drugs;
- (B) No record of conviction for distributing drugs;
- (C) No record of conviction for drug possession within last seven years;
- (D) No record of a conviction for a crime against a person within the last seven years;
- (E) No record of a conviction for a crime against property, or for concealed weapons possession, within the last seven years; and
- (F) No record of conviction for murder, attempted murder, rape or attempted rape.

For purposes of clauses (C), (D) and (E) above, the stated time periods shall exclude any period during which the subject applicant was incarcerated.

Before the Manager denies admission to the Residential Community on the basis of a criminal record, the Manager shall notify the head of household of the proposed denial and shall provide the subject of the record and the head of household with a copy of the record and an opportunity to contest the accuracy and relevance of the record. If a criminal record is obtained based on a "name hit" and the putative subject of the record denies that the record applies to him or her, the subject may be required to submit to fingerprinting to verify identify as a condition of further consideration of the household's application for admission.

(iii) No credible evidence that a household member is currently engaging in illegal use of a drug, or on the basis of which the Manager has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

(iv) No credible evidence on the basis of which the Manager has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises other residents.

(v) Declaration from head of household that no family member under 18 years of age has been convicted of a crime classifying him or her as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release to the Manager of police information for the purpose of verifying whether any such conviction for that family member exists. If such a consent shall not be sufficient to

obtain release of such information to the Manager, the parent or guardian of such member shall be required to obtain and submit such information to the Manager.

(vi) Satisfactory home visit to applicant's current home by representative of Manager. Home will be inspected, after notice of at least 48 hours, for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit.

(b) Mitigating Circumstances. In all instances where unfavorable information would cause an applicant family to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the applicant (by means of interview), landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

Consideration will be given to the time, nature, and extent of the applicant's conduct (including any reasonable explanation therefor) and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Mitigating factors to be considered include but are not limited to the following:

(i) Negative credit information can be mitigated through third party verification, including but not limited to a creditor, of each item that (i) there has been a payment plan and a three month timely payment history on such plan; or (ii) the applicant has disputed such debt and can provide verification of such dispute.

(ii) Record of unsuitable rental history or behavior can be mitigated if applicant can show evidence of rehabilitation or participation in rehabilitation.

(iii) Evidence of completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse.

ARTICLE 6: RESIDENT SELECTION PLAN

6.1 General. Occupancy and resident selection criteria are a critical component of this Plan. Successful economic integration will be attained through (i) the strict application of applicable eligibility requirements of the Public Housing Units and LIHC Units, and (ii) the consistent and nondiscriminatory application of selection criteria criteria set forth herein.

6.2 Non-Discrimination. Federal, State, and City of New Orleans fair housing laws cover equally all units in the Residential Community, whether Public Housing Units, LIHC Units, or Market-Rate Units. All practices, in every aspect of the Plan and Manager's activities, must not subject any person to discrimination prohibited by these laws, which prohibit discrimination based on race, color, religion, sex, handicap,