

# HPD/HDC Tenant Selection Criteria

Revised 8/28/2019

<b>Credit Checks, Background Check Fees, and Evidence of Rent Payments – All Applicants</b>
<p>Applicants may avoid a credit check by providing evidence of complete rent payments for the preceding 12 months.</p> <p>For applicants who choose to have their credit reviewed:</p> <ul style="list-style-type: none"> <li>If an applicant provides for review a copy of a credit check and a background check conducted within the past 30 days, the developer may not run a credit check or charge a fee for any additional background check.</li> <li>If an applicant provides a copy of a credit check conducted within the past 30 days but does not provide a copy of a background check, the fee for the background check is limited to the actual fees or \$20, whichever is less.</li> <li>When both a credit check and background check must be run, the fee for both checks is limited to the actual fees or \$20, whichever is less.</li> <li>Developers must provide the applicant with a copy of the background and/or credit check and the receipt or invoice from the entity that conducted the check, after which the applicant may be charged a fee.</li> </ul>

<b>Bankruptcy – All Applicants</b>
<p>Developers may reject an applicant for a prior or pending bankruptcy, provided that the bankruptcy filing occurred within <u>the last 12 months</u>.</p>

<b>Credit Score</b>	
<b>General Applicants</b>	<b>Homeless Shelter Referrals</b>
<p>Developers may <u>not</u> reject applicants based solely on credit score. Credit score may be used only as an indicator of financial stability.</p> <p>Developers may choose to <u>accept</u> applicants with a credit score of 580 on a FICO scoring system without further review of their financial stability.</p> <p>If applicant’s credit score is below 580, applicant must also fail to meet one of the other criteria detailed in these guidelines to be rejected.</p> <ul style="list-style-type: none"> <li>Developers must explicitly state in the Marketing Plan how credit score will be used in evaluating applicants and must consistently apply the policy throughout the lottery.</li> <li>If the developer is using a credit scoring system other than FICO as an indicator of applicants' financial stability, s/he is required to provide the monitoring agency with an explanation of the scale and scoring criteria for that model.</li> </ul>	<p>Same as criterion for general applicants, except that developers may choose to accept homeless applicants with a credit score of 500, rather than 580, without further review of their financial stability.</p>

**NOTE: THESE POLICIES ARE THE MOST STRINGENT CRITERIA PERMITTED. DEVELOPERS AND MARKETING AGENTS MAY IMPLEMENT LESS STRINGENT POLICIES SUBJECT TO AGENCY REVIEW.**

<b>Delinquencies, Money Judgments, Collections, and Liens</b>	
<b>General Applicants</b>	<b>Homeless Shelter Referrals</b>
<p>Developers may reject an applicant if their <u>total</u> open/unsatisfied delinquencies, collections, money judgments, and liens exceed <u>\$5,000</u>.</p> <ul style="list-style-type: none"> <li>• Excludes delinquencies due to medical debt or student loans.</li> <li>• Delinquency must be currently 120+ days past due or in collections.</li> </ul>	<p>Developers may not reject a homeless client based on rent delinquencies occurring prior to shelter stay.</p>

<b>Prohibited Information and Criteria – All Applicants</b>
<ul style="list-style-type: none"> <li>• Housing Court history / landlord-tenant actions</li> <li>• Home visits</li> <li>• Debt-to-income ratios</li> <li>• Lack of credit or rental history</li> <li>• Guarantors, co-signers</li> <li>• Home visits, photos/videos, etc.</li> <li>• Personal references</li> <li>• Contacting previous landlord, neighbors, etc. for information</li> </ul>

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