

## **2 TENANT POLICIES**

### **2.1 FAIR HOUSING**

SPM and its employees are firmly committed to equal opportunity in housing. SPM is in full compliance with federal, state and local Fair Housing laws. NO persons will be discriminated against on the basis of:

- Race, color, religion, sex, disability, familial status, national origin, sexual orientation, marital status, age, source of income or any other applicable protected class.
- Disability in any program or activity receiving federal financial assistance or through public entities

### **2.2 OCCUPANCY**

SPM conforms with Kentucky Housing Corporation and Kentucky Commission on Human Rights in determining how many people may reside in a rental unit that receives income subsidies in compliance with KHC and KCHR. Maximum occupancy standards for units under SKY Property Management are as follows:

- 1 Bedrooms: 2 people
- 2 Bedrooms: 4 people
- 3 Bedrooms: 6 people

### **2.3 APPLICATION PROCESS**

SPM will accept and processes applications for a particular rental unit on a first-come first-served basis. To secure a rental unit, a prospective tenant must submit an application accompanied by a non-refundable screening fee of \$45 per unit. Once the \$45 has been submitted, it cannot be refunded regardless of applicant's decision to forgo the application process. The fee of \$45 is to be collected on all potential tenants regardless of the ability to perform the screen.

Refusal to complete the screen will result in an automatic denial.

Once the screening is completed and applicant is approved a minimum \$350 security deposit must be obtained in order to secure the desired rental unit, unless otherwise approved by Owner. Deposit must be paid via ONE check or money order. At move-in, the tenant must pay the full or pro-rated rent amount before receiving keys.

### **2.4 SCREENING CRITERIA AND APPLICATION REQUIREMENTS**

A fully completed application (Addendum A) is required for every adult over the age of 18 that will be occupying the premises. An application will be processed for each tenant listed as financially responsible and screening will not take place unless a \$45 non-refundable screening fee accompanies the application. No application fee shall be waived unless approved by Owner.

A copy of a government-issued Photo ID is required and must be submitted with application.

Verifiable, taxable monthly income of at least 2.5 times the monthly rent is required. Applicants must submit a copy of the most recent paystub to verify gross monthly income or if self-employed the previous year's tax return. If an applicant receives Social Security Income or a GI Bill, it will be accepted as a verifiable form of income.

Six months employment history is required and may be documented through six months' paystubs OR a letter of verification from the employer. If a potential tenant does not have verifiable employment history, six months' positive rental history will be accepted in lieu.

Guidelines for rental history verification:

- Must be within the past year
- Must not have any evictions filed
- 6-8 month period: 1 late fees or less
- 8-12 month period: 2 late fees or less
- No lease violations
- Damage less than \$500

## **2.5 REASONS FOR INCREASED SECURITY DEPOSITS OR COSIGNER**

- Monthly income \$100 or more below required 2.5 times stated rent
- Negative or adverse debt exceeding \$500 on credit report (Excluding medical & school expenses)
- Less than 6 months employment history or negative rental history
- Bankruptcies discharged within the past 5 years
- Rental history reflecting more than \$500 in damages. Debt must be settled to qualify
- Unverifiable history or lack of credit score (see below)

In the event an applicant meets any above stated reason, the required Security Deposit will be equal to the monthly stated rent. If an applicant meets two of the above stated reasons, a cosigner and an increased Security Deposit will be required.

Unverifiable history due to inability to run a background check would require a Security Deposit equal to the monthly stated rent as well as the first and last month's rent to be paid before move-in.

Lack of credit score due to inactivity or no established credit history would require a Security Deposit equal to the monthly stated rent.

## **2.6 REASONS FOR DENIAL OF APPLICATION**

- Three or more reasons for increased Security Deposit or Cosigner
- Inaccurate, incomplete or falsified information
- Unverifiable source of income or income verification shows more than \$500 below required 2.5 times stated rent
- 10 or more unpaid collections on credit report or a collections balance of more than \$5,000 (excluding medical & school expenses)
- Open bankruptcies
- Evictions within the past 5 years
- Outstanding property debt or unpaid rent in any amount
- Rental history documenting lease violations or unfavorable rental history with previous landlord
- Default or unpaid mortgage
- Conviction, guilty plea or no contest plea for any of the following:
  - Felony occurring at any time which involved arson, rape, kidnapping, murder, sex crimes, child sex crimes, financial fraud crimes, person crimes, extensive property damage, drug-related offenses (including sale, manufacture, delivery or possession with intent to sale), class A felony burglary, or class A felony robbery.
  - Felony charges; where the date of disposition, release, or parole have occurred within the past 7 years
  - Misdemeanor or gross misdemeanor charges involving assault, intimidation, sex crimes, drug-related crimes, property damage or weapons charges; where the date of disposition, release, or parole have occurred within the past 7 years
  - Class B or C misdemeanor, or any misdemeanor involving criminal trespass I, theft, dishonesty, prostitution or disorderly conduct; where the date of disposition, release or parole have occurred within the past 3 years
  - Pending criminal charges or outstanding warrants

## **2.7 COSIGNER POLICY**

A Cosigner will be required for a lack of rental history, negative credit or failing to meet income requirements. Cosigners must also fully meet screening criteria and submit a non-refundable \$45 screening fee along with all required documents. If a cosigner meets one or more of the criteria listed in Section 2.5 or 2.6, the application will be denied.

## **2.8 APPLICATION DENIAL APPEALS**

A prospective tenant may appeal the denial by contacting the screening company directly if they feel information reflected on the screening was inaccurate. The application will be reviewed if any information returned on the screen is proven to be incorrect.

## **2.9 SECURITY DEPOSIT HOLDING**

Tenants shall be required to make a refundable security deposit in accordance with the terms of their lease. Once a security deposit is given to SPM the applicant has 72 hours to cancel the process. At the end of the period, the deposit in its entirety will be placed in a deposit holding account located at Independence Bank. For the return of all or a portion of the Holding Deposit, and to avoid liability for damages under the Lease, the following provisions, without limitations, apply:

- A full 60 day notice-to-vacate is required with rent paid for the entire period
- No damage to property
- Entire apartment including, but not limited to, range, refrigerator, bathrooms, closets, and cabinets must be cleaned. Resident property and debris must be removed and trash must be disposed of properly. Carpets must be thoroughly vacuumed.
- No stickers, command strips (or the like), large scratches, visible nail holes or blatant destruction to walls or other surfaces
- Noticeable holes must be patched and painted over (paint may be obtained from SPM office)
- No unpaid charges or delinquent rent
- No smoking in the unit
- All unit keys, post office keys, and garage keys/opener returned
- Forwarding address left with SPM staff
- Move-in inspection completed and returned within two weeks

Security Deposit will be mailed within 30 days of move-out, so long as above conditions are met. If a partial refund is issued, a copy of tenant ledger detailing charges will be mailed with the check.

## **2.10 RENT COLLECTION AND FEES**

The Manager shall collect and record all rent and tenant charges and shall promptly deposit daily receipts to the appropriate accounts. Rent is to be paid on-time, in the form of check or money order or through on-line tenant portal. Cash is not to be accepted unless otherwise approved by Manager.

Partial rent is not to be accepted unless approved by the Owner. If partial rent is paid it must be at least 85% of the balance owed and a late fee will still incur for any balance remaining after the 5<sup>th</sup> of the month. Manager will charge late fees in AppFolio as per the lease obligations. No late fee should be waived without prior approval from Owner. If the eviction process has been started, tenant must pay the amount owed via cashier's check or money order and be on a current, SKY Property Management

It is in the best interest of SPM for all rent to be paid on time, every month. Therefore SPM staff should encourage all tenants to abide by the terms of their lease. However, extenuating circumstances arise and any tenant wanting to alter their rent payment terms should be directed to the Manager who will determine if the tenant's situation should be discussed with the owner. Until such time as alternate payment arrangements are formalized, SPM shall continue to follow all policies and procedures for rent collection and eviction in the event of rent not being paid in full.

Tenants paying rent in the office are required to deposit the rent in the rent box outside the door. This ensures proper receipt of the payment and keeps the burden of proof in the tenant's hands. Rent must be paid via one payment if done so in office. Tenants who are wanting to split rental payments are encouraged to do so via the online tenant portal.

Should a tenant cause damage to the premises in the course of his/her tenancy, the tenant will be billed for the repair of such damages when they occur in order to avoid using the tenant's security deposit for payment. Charges for said damages will appear on tenant's ledger and will show as a balance due until paid in full.

A service fee of \$35 will be charged for returned checks. Once a check has been returned for NSF, the tenant will be required to pay in money order or cashier's check for the duration of their lease.

### **2.11 RENTERS INSURANCE**

SPM residents are not required to have renter's insurance. However, all tenants are required to sign the "Renter's Insurance" addendum stating SPM's recommendation of the same.

### **2.12 TENANT RELATIONS**

SPM encourages tenants to seek resolution of problems amidst the involved parties. Tenant participation shall be solicited in solving general problems such as trash violations, noise disturbances, pet waste disposal, etc. Manager will encourage tenants to act as a cohesive body to see that policies affecting the community as a whole are enforced. Tenants with a complaint against one another may present their situations to the Manager who can work directly with tenants, if necessary.

### **2.13 MAINTENANCE RESPONSE**

Routine maintenance will be completed within 5 business days, unless prevented by unavailability of parts, disaster, or another unforeseen obstacle in which case the tenant shall be notified.

All emergency repairs shall be handled promptly regardless of the time of day they occur.

An after-hours emergency call should be made anytime the structure of the property is jeopardized or there is a danger to the occupant. Such circumstances include fire, an active water leak or flooding that is not controlled by cutting off the supply valves, loss of heat when temperatures are below 50 degrees, no electricity (not area related), damaged roof or structure damage from a fallen tree. Lack of air conditioning, non-working appliances, lock-outs, interior repairs or housekeeping that does not fall into the above mentioned hazards are not considered an emergency.

### **2.14 SERVICE ANIMALS**

Tenants who require service animals are not charged a pet deposit or monthly pet fee as long as they can provide proper documentation from their medical provider stating the necessity and the symptoms alleviated by the animal's presence or the issue corrected by the animal. A copy of the documentation should be placed in the tenant's file and addendum to the lease shall be signed. The *SPM* pet policy/lease will still apply in its entirety, however all fees will be waived.

### **2.15 PET POLICY**

Tenants who wish to have a pet in their residence shall abide by all regulations listed on the Pet Policy/Lease agreement. Failure to do so will result in an eviction notice for the pet and subsequent tenant eviction if the pet is not removed by the required time. Tenant complaints regarding pets shall be submitted in writing, saved and uploaded to the tenants page, and handled as follows:

- Three documented complaints = 1st notice
- Next complaint = 2nd notice
- Final complaint = 30-day eviction for pet
- Pet still in residence after 30 days = tenant eviction

### **2.16 LEASE VIOLATIONS**

Direct violations of the lease will be handled by Manager as deemed appropriate and should be sent in an email for documentation purposes. Tenant complaints will be handled in the following manner:

- Three documented complaints = 1st notice
- Next complaint = 2nd notice
- Final complaint = Eviction

### **2.17 TENANT NEGLIGENCE**

Tenants will be charged for direct negligence to appliances, landscaping, functionality of the unit, and repairs that could otherwise be done by the tenant but maintenance is called. This includes but is not limited to: plumbing obstruction, garbage disposal obstruction, not picking up pet waste, failure to dispose of trash properly, changing smoke detector batteries, changing lightbulbs, lockouts, etc. A \$25 initial service fee will be charged, in addition to

the cost of materials and \$25/hour after the first hour. Some violations incur their own fee and are listed on the Standard Cleaning and Repair Charge Sheet

## **2.18 SHOWINGS AND APPOINTMENTS**

Showings will be scheduled daily between 9am and 4:30pm unless otherwise approved by a manager. Move In appointments will be scheduled daily between 9am and 4pm and Move Out appointments will be scheduled daily between 10pm and 4pm. If a tenants move out date is on a weekend the following protocol will be explained to the tenant:

- If the tenant wishes to be present during the inspection, the move out inspection will need to be scheduled Friday before the lease end date or the following Monday. If it is scheduled for Friday, rent is still owed through the remainder of the lease. If it is scheduled for Monday, it must be done at 9am and the tenant will only owe rent through Sunday. If the tenant chooses to move out Saturday without scheduling an inspection with us keys, pool pass & forwarding address must be left in the drop box by 5pm Saturday.

If a tenant no-shows for an appointment and wants to reschedule, they must first come to the office to ensure their presence for the appointment.

No more than two showings may be scheduled per day, per perspective tenant. Both showings must be on the same side of town i.e. Pine Groves and Traditions, Grande Haven and Jennings, etc.