HPD/HDC Tenant Selection Criteria

Implemented 10/1/2015, Revised 8/21/2019

Credit Checks, Background Check Fees, and Evidence of Rent Payments – All Applicants
Applicants may avoid a credit check by providing evidence of complete rent payments for the preceding 12 months, or, if they currently reside in a homeless shelter, from the 12 months prior to entering shelter.   For applicants who choose to have their credit reviewed: • 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.   • 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.   • 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.   • 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.

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

Credit Score	
General Applicants	**Homeless Shelter Referrals**
Developers may not reject applicants based solely on credit score. Credit score may be used only as an indicator of financial stability. Developers may choose to accept applicants with a credit score of 580 on a FICO scoring system without further review of their financial stability. 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. • 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. • 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.	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.

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

Delinquencies, Money Judgments, Collections, and Liens	
General Applicants	**Homeless Shelter Referrals**
Developers may reject an applicant if their <u>total</u> open/unsatisfied delinquencies, collections, money judgments, and liens exceed <u>$5,000</u>. • Excludes delinquencies due to medical debt or student loans. • Delinquency must be currently 120+ days past due or in collections.	Developers may not reject a homeless client based on rent delinquencies occurring prior to shelter stay.

Prohibited Information and Criteria – All Applicants
• Housing Court history/landlord-tenant actions • Debt-to-income ratios • Lack of credit or rental history • Home visits, photos/videos, etc. • Personal references • Contacting previous landlord, neighbors, etc. for information • Guarantors, co-signers

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