

**OWNER'S ADMISSIONS POLICIES  
RURAL DEVELOPMENT ASSISTED PROPERTY  
MANAGED BY  
FRANKLIN ASSET MANAGEMENT COMPANY, INC.  
RESIDENT SELECTION PLAN**

It is the policy of this property and management company to provide housing on an equal basis. The property's policies as well as the management company's policies prohibit discrimination according to Federal civil rights laws, State, County and City civil rights laws and the Fair Housing Act based upon Race, Color, National Origin, Sex, Age, Disability, Religion and Familial Status. This is also to include prohibiting discrimination based upon Sexual Orientation and Gender Identity. It is also the policy of this property and management company to comply with HUD's Equal Access in Housing Final Rule (Rule), published 02/03/2012. The Rule is intended to ensure that housing across HUD programs is open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. For more detailed information and guidance, please see HUD Notice H 2015-06, issued 07/13/2015.

Actions prohibited include: Denying anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs; Provide anyone housing that is different from that provided to others; Subject anyone to segregation, even if by floor or wing; Restrict anyone's access to any benefit enjoyed by others in connection with the housing program; Treat anyone differently in determining eligibility or other requirements for admission, in use of housing amenities, facilities or programs, or in terms or conditions of a lease; Deny anyone access to the same level of services; Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program; Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; Discriminate in the provisions of brokerage services or in residential real estate transactions; Discriminate against someone because of that person's relation to or association with another individual; or Retaliate against, threaten or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act. There is also additional protection for individuals with disabilities. Specifics regarding reasonable accommodations can be found in the reasonable accommodation policy.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

- I. Pre-applications will be accepted on site and at the central office of Franklin Asset Management Company. Applicants will be placed on the waiting list on a first come, first serve basis and will adhere to the priority rules stated in II. and III. below. All applications whether complete, eligible, or ineligible will be placed on the list. An application is considered complete when all blanks on the application are answered and a signed form authorizing the property to verify eligibility, income, assets, expenses, and deduction information is submitted.

II. **WAITING LIST SELECTION PRIORITIES**

It is likely that there will be more applicants for housing than can be assisted. In order to select those families most in need of housing RD has established the following priority and statutory categories that will be the basis of selecting residents from among all applicants:

- A. Eligible residents residing at the property who are either under or over housed receive priority over new applicants if relocating them into the newly vacant unit.
- B. Eligible residents residing at the property that have requested and qualified for a reasonable accommodation will receive priority over new applicants if relocating them into the newly vacant unit
- C. Eligible residents residing at the property that have requested and qualified for a voluntary transfer will receive priority over new applicants if relocating them into the newly vacant unit.
- D. Eligible applicants on the waiting list will be assigned units based on income type. An applicant with very-low income will receive priority over a low-income applicant, who will receive priority over a moderate-income applicant regardless of the date and time an application was submitted.
- E. Priority within income classifications will be based upon date and time a completed application is received.

III. **EXCEPTIONS**

- A. ***Exceptions to Income Standards Assignment Policies.*** While the basic standard is to house all very low-income applicants prior to low- and then moderate-income applicants, there are situations where this process may be bypassed. However, an individual in one of the situations identified below would be eligible for housing before applicants on the waiting list for a lower income category.
  - 1. If the unit is a barrier-free accessible unit, then an eligible household that needs the features of that unit will receive priority over all other applicants, regardless of income. If more than one applicant needs the features of the barrier-free accessible unit, then applicants who are very low-income would have priority, followed by low- and then moderate-income households.
  - 2. For properties receiving low-income housing tax credits (LIHTCs), a housing unit may be left vacant if it is required to be rented to a LIHTC-eligible applicant, and none of the applicants on the waiting list meet the applicable LIHTC eligibility requirements.
  - 3. An applicant having been issued a Letter of Priority Entitlement (LOPE) by RD providing entitlement to rental units in other RD financed housing properties for 120 days from the date of the LOPE or persons displaced by RD action, or displaced in a federally

declared disaster area have priority over all other applicants of the individual applicant's income group.

B. **Assignment of Rental Units Accessible to Individuals with Disabilities.** If a rental unit accessible to individuals with disabilities is available and there are no applicants that require the features of the unit, the Rental Manager may rent the unit to a non-disabled resident under the following conditions:

1. A provision in the lease will be included requiring the resident to vacate the unit within 30 days of notification to an appropriate sized vacant unit within the property, if one is available, if an eligible individual with disabilities requires the unit;
2. The unit has been marketed as an accessible unit;
3. Outreach has been made to organizations representing the disabled; and
4. Marketing of the unit as an accessible unit continues after it is rented to a resident who is not in need of the specific design features.

IV. **POLICY TO OPEN & CLOSE WAITING LIST**

A. Property waiting lists will remain open at all times.

V. **PROGRAM ELIGIBILITY CRITERIA**

In the selection of applicants for admission, Eligibility Criteria have been established in accordance with RD guidelines. All applicants will be screened and the following eligibility standards will be applied:

- A. **Provide Information:** All applicants must cooperate in completing the rental application and providing information necessary to determine their eligibility, and be legally able to enter into a binding contract under State Law as well as legally comply with other screening criteria.
- B. **Income Limits:** Applicants must qualify under the income guidelines established by the U.S. Department of Agriculture for the county and state in which the property is located. The current, applicable income limits will be posted in the management's office. The property may also have LIHTC income limits that apply.
- C. **Occupancy Standards:** Applicants must meet the established occupancy standards. As a general policy there should be a minimum of one person per bedroom and no more than two persons per bedroom. Management shall take into consideration mitigating circumstances in cases where applicants or residents have a verifiable need for a larger unit.

Any family placed in a unit size different than that defined in these Occupancy Standards shall agree to transfer to an appropriate size unit when one becomes available (in accordance with the Transfer Policy and Lease Addendum). Dwelling units will be assigned in accordance with the following standards:

<u>Bedroom Size</u>	<u>Persons Per Household</u>	
	<u>Minimum</u>	<u>Maximum</u>
0	1	1
1	1	2
2	2	4
3	3	6

- D. **Special Permissions:** Circumstances may exist or may arise in the future where RD may grant special permission to rent available units to households that are not income eligible and/or not household size eligible. Such permission is usually limited in time and requires that those permitted such occupancy shall be subject to additional lease provisions requiring vacating after 12 months if otherwise eligible applicants are available. In the event that such special permission has been granted, a copy of the letter that grants such permission shall be posted in the property office.
- E. **Social Security Numbers:** Family members 6 years of age and older must provide the property with a complete and accurate social security number. For any members of the family who do not have a social security number, the applicant or family member must certify that the individual has never received a social security number.
- F. **Criminal Activity:** Management has established a policy to reject all applications where the applicant or any household member has engaged in certain criminal activity. Specific criteria are found in the "Rejection" section of this document.
- G. **Consent Forms:** Applicants and their adult family members must sign consent forms to authorize the borrower to collect information to verify eligibility, income, assets, expenses and deductions. Applicants who do not sign required consent forms would not receive assistance.
- H. **Property Specific Requirements:** Properties are designated for a specific population type. This is posted on the bulletin board in the rental office. These property designations are described below:
1. **Family Properties:** A family housing property is a rental property developed for occupancy by eligible very low-, low-, and moderate-income households. Non-elderly and elderly households may occupy the housing. Household income is the only resident characteristic, except under extraordinary circumstances such as resident displacement, which is given preference in selecting among eligible applicants for occupancy. Priority is also given to those needing features of an accessible unit if one becomes available. Occupancy may not be restricted to particular groups of eligible households and may include elderly households.
  2. **Elderly Properties:** An elderly property is a rental property that is developed for occupancy solely by eligible elderly households, which include a resident or co-resident who is disabled or age 62 years or older. Persons with disabilities and their families are permitted to live in elderly housing.
- I. **Student Restrictions:** On December 30, 2005, the Department of Housing and Urban Development (HUD) issued a final rule amending 24 CFR 5.609 to add a new paragraph (b)(9) to include, as annual income, any financial assistance in excess of amounts for tuition that a student receives who meets the criteria of the new §5.612. In determining the income eligibility of a student at any Rural Development MFH property regardless of subsidy status, the student's financial assistance in excess of tuition as defined in §5.609(b)(9) will be included in the calculation of annual income. This guidance does not affect the eligibility of a student's parents when the student is receiving financial assistance and the student is residing with his or her parents, or is residing with parents who are applying to receive RA. This only affects the eligibility of students applying for occupancy in a Rural Development MFH property separate from their parents. All student applicants for assistance must also meet all other Rural Development program requirements that determine eligibility for occupancy.

VI. **SCREENING CRITERIA**

- A. All applicants must cooperate in completing the rental application and providing information necessary to determine an acceptable, rental and criminal history. For acceptance the applicant and all members of the household must demonstrate:
1. ***Acceptable Rental History:*** A willingness and ability to pay rent in a timely manner, willingness and ability to take reasonable care of the property that might be offered for rent and not to do damage to such property, willingness to act in a manner that would not interfere with their neighbor's rights to a quiet and peaceful enjoyment of their apartment and property, and willingness to comply with the terms and conditions of any lease that might be entered into including willingness to report changes in household income and composition and willingness to annually "recertify".
  2. ***Acceptable Housekeeping:*** Housekeeping habits at prior residences that did not adversely affect the health, safety, or welfare of other residents or cause damage to the premises.
  3. ***Acceptable Criminal Record:*** A history of the applicant, or any household member, which does not include any criminal activity that would threaten the health, safety, or right to peaceful enjoyment of other residents; or any criminal activity that would threaten the health or safety of any property management staff. Specific criteria are found in the "Rejection" section of this document.
  4. ***Positive Indications of ability to afford our rents:*** "Positive indications of ability to afford our rent" shall mean that the household has a stable source of income that is at least equal to twice the expected shelter costs ("shelter costs" are net resident contribution plus any utility allowance) of the household. For cases where the primary source of income is social security, SSI, or other public assistance, "positive indications of ability to afford our rent" shall mean that the monthly benefit is not less than the monthly shelter costs. Also, relative to the ability to afford the housing, there are expected circumstances where a household might be considered acceptable if RD rental assistance or Section 8 assistance is available but not acceptable without such assistance.
- B. **REJECTION** - Management reserves the right to reject applicants for admission if it is determined that the applicant or any member of the household falls within any one or more of the following categories:
1. ***Misrepresentation:*** Any misrepresentation in the application procedure for the apartment or in a certification process at any government assisted dwelling unit. The dishonoring of any check used for payment of any fees required in the application process shall also be considered misrepresentation.
  2. ***Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior:*** Includes behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence or irresponsibility, which damages the equipment or premises in which the family resides, or which is disturbing or dangerous to neighbors or disrupts the quiet and peaceful enjoyment of their home and community life.
  3. ***Violent Behavior:*** Includes evidence of acts of violence or of any other conduct, which would constitute a danger or disruption to the peaceful

occupancy of neighbors or ability of management staff to conduct their day-to-day duties.

4. ***Non-compliance with Rental Agreement:*** Includes evidence of any failure to comply with the terms of rental agreements at prior residences, such as failure to recertify as required, providing shelter to unauthorized persons, keeping pets, or other acts in violation of rules and regulations.
5. ***Owing Prior Landlords:*** Applicants who owe a balance to present or prior landlords will not be considered for admission.
6. ***Owing Utility Providers:*** Applicant must be able to obtain utility service to any apartment leased.
7. ***Unsanitary or Hazardous Housekeeping:*** Includes generally creating any health or safety hazard through acts of neglect and causing or permitting any damage to or misuse of premises and equipment, if family is responsible for such hazard, damage or misuse, including but not limited to, causing or permitting infestation, foul odors or other problems injurious to other persons' health, welfare or enjoyment of the premises; depositing garbage improperly; failing to use in a reasonable and proper manner all utilities, facilities, services, appliances and equipment within the dwelling unit or failing to maintain them in a clean condition; or any other conduct or neglect which could result in health or safety problems or in damage to the premises.
8. ***Criminal Activity:*** A policy exists to reject all applications where the applicant or any household member has engaged in certain criminal activity. The activities that will be grounds for rejection of an application are as follows:
  - a. Any conviction or adjudication other than acquittal which involved injury to a person or property, or that involved violent, threatening behavior, or that included any violent or threatening behavior that included any type of weapon directed toward any person or property.
  - b. Any conviction or adjudication other than acquittal within the last 5 years involving the sale, distribution or manufacture, illegal use or possession of any controlled or illegal substance or paraphernalia.
  - c. Any current illegal user or addict of a controlled or illegal substance.
  - d. Any act which results in the person's tenancy constituting a threat to the health or safety of other individuals, result in substantial physical damage to the property of others, or interfere with the peaceful and quiet enjoyment of the premises.
  - e. Any conviction or adjudication other than acquittal, for any sexual offense, including lifetime sex offenders.
  - f. Any conviction or adjudication for government fraud.
  - g. Eviction for Drug Related Criminal Activity: If the applicant or any household member has been evicted from housing for drug related criminal activity, the application will be rejected. Exceptions will be made for the household member who has successfully completed an

approved, supervised drug rehabilitation program or the circumstances leading to the eviction no longer exist.

- h. Alcohol Abuse: If a determination is made that the applicant or any household member's abuse, or pattern of abuse, of alcohol interferes with the health, safety or right to peaceful enjoyment of the premises by other residents, the application will be rejected.
- i. Repeated misdemeanor charges that evidence an ongoing pattern of behavior that disregards laws and legal authorities.
- j. Any pending adjudication for all of the above will be reason for rejection.
- k. Outstanding bench warrants will also be reason for rejection.

VII. **GRIEVANCE PROCEDURE:** Management will follow the grievance process in compliance with requirements set forth in the Rural Development HB-2-3560 when rejecting an application, management will:

- 1. provide notification in writing of reasons for rejection;
- 2. inform the applicant they have 14 days to request in writing a meeting to discuss the rejection;

VIII. **REASONABLE ACCOMMODATION:** If the applicant requests an additional interview to determine whether mitigating circumstances or reasonable accommodations would make it possible to accept his/her application, management will do so based on Section 504 of the Rehabilitation Act of 1973.

IX. **VAWA POLICY:** Found under separate cover as an attachment to this plan.

Attachments to include:

- 1. 008 VAWA Notice H-2017-05 (June 20,2017
- 2. 008-A-VAWA Notice of Occupancy Rights Under the Violence Against Women Act
- 3. 008-B-VAWA Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking and Alternative Documentation
- 4. 008-F-VAWA Violence Against Women and Justice Department Re-Authorization Act of 2005

IX. **PRIVACY POLICY:**

It is our policy to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the Property.

Therefore, neither the Property nor its agents shall disclose any personal information contained in its records to any person or agency outside the Department of Agriculture or any other monitoring agency unless the individual about whom information is requested shall give written consent to such disclosure.

This Privacy Policy in no way limits the Property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on disability will be treated in a confidential manner.