

Exhibit 2-9 Suitability for Tenancy

HUD Regulation (24 CFR 880.601)

The owner is responsible for all management functions, including determining eligibility of applicants, selection of tenants, reexamination and verification of family income and composition, determination of family rent (total tenant payment, tenant rent and utility reimbursement), collection of rent, termination of tenancy and eviction, and performance of all repair and maintenance functions (including ordinary and extraordinary maintenance), and replacement of capital items.

HUD Regulation (24 CFR 880.603)

If the owner determines that an applicant is ineligible on the basis of income or family composition, or because of failure to meet the disclosure and verification requirements for Social Security Numbers (as provided by 24 CFR part 5), or because of failure by an applicant to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies (as provided by 24 CFR parts 5 and 813), or that the owner is not selecting the applicant for other reasons, the owner will promptly notify the applicant in writing of the determination and its reasons, and that the applicant has the right to meet with the owner or managing agent in accordance with HUD requirements.

AHFC Policy

AHFC realizes that many prospective tenants do not have previous rental histories, and the methods described herein allow for alternatives to traditional tenancy references. AHFC will consider all references provided and has final authority for determining if an applicant is suitable for tenancy in an AHFC unit.

1. Screening Period

AHFC will collect a maximum of two years of tenancy reference materials for each adult household member, when possible.

2. Screening Verification Hierarchy

AHFC will step through the following tenancy verification methods in the order listed. Each level will be considered for each adult household member. If sufficient references are collected at any level, AHFC will stop at that level.

2.A Level One – Landlord Reference

Each tenancy reference must be for a minimum of 30 days. A reference from a shelter or transitional facility will be equivalent to a landlord reference if a prospective tenant has resided there in excess of 30 days.

- If the prospective tenant has a current residence, a reference from that source is preferred.
- If the applicant's most recent reference covers a tenancy period of one year and is satisfactory, AHFC will not seek further references.
- If a combination of the applicant's most recent references cover a tenancy period of one year and are satisfactory, AHFC will not seek further references.

2.B Level Two – Bill Paying Ability

If a prospective tenant does not have a tenancy history, the tenant can demonstrate his/her ability to pay the rent by providing copies of current or recent account documents. The purpose is to demonstrate the prospective tenant's ability to comply with financial obligations. If the family's bill-paying history is negative, AHFC will deny the family's application.

2.B.1. Preferred - Utility Bills

These include electricity, gas, water, and sewer billings in an adult household member's name. The prospective tenant must have at least three months of payment history.

2.B.2. Substitutions - Personal Bills

These include bills for cable service, telephone service, or cell phone service, a medical expense payment plan, or any other type of account for which the prospective tenant pays regularly. The prospective tenant must have at least three months of payment history.

2.C Level Three – Personal Reference

If the prospective tenant does not have any previous residence history or any recurring bills or payment plans, the tenant can provide a personal reference. The reference should be from someone familiar with the prospective tenant's ability to be a good tenant and meet his/her financial obligations. If the family's personal references are negative, AHFC will deny the family's application.

2.D Level Four – Self-Certification

If the prospective tenant is unable to provide documentation from any of the previous levels, AHFC will allow the applicant to self-certify regarding his/her ability to be a good tenant and meet his/her financial obligations.

3. Reference Rating

AHFC will evaluate all reference materials. Any reference determined to be not negative is satisfactory. If a family is determined not suitable for tenancy, AHFC will send a written notification along with the family's right to contest the determination.

3.A Negative Tenancy Events

If the applicant family has an occurrence of any of the following within the screening period, the family will be determined ineligible for tenancy.

1. The applicant was evicted from a previous unit by the court.
2. The applicant owes \$1,500 or more to a previous landlord from a tenancy. This could be from failure to pay rent, failure to pay tenant-paid utilities, or damages to the unit that exceeded normal wear and tear.
3. The applicant repeatedly violated the quiet hours of the premises.
4. The applicant repeatedly violated the right of others to peaceful enjoyment of the premises and was not a good neighbor.
5. The applicant repeatedly failed to control the behavior of his/her guests/visitors and allowed guests/visitors to damage the premises.

3.B Evaluating Landlord Responses

If a landlord responds with "Yes" or "Neutral" to the questions under the General Tenancy Questions section, the reference is considered satisfactory.

If a reference does not rise to the level of the Negative Tenancy Events above, but still has "No" responses, AHFC will evaluate those responses as follows.

1. A response of "No" to the question, "Would the Landlord lease to this Tenant again?" plus an answer of "No" on two or more items under the General Tenancy Questions section will result in a negative reference rating.
2. A response of "Yes" or "Neutral" to the question, "Would the Landlord lease to this Tenant again?" plus an answer of "No" on three or more items under the General Tenancy Questions section will result in a negative reference rating.

3.C Mitigating Circumstances

AHFC may consider mitigating circumstances, and applicants may provide information regarding mitigating circumstances with their application or during an Informal Review. Examples of family circumstances include, but are not limited to:

1. Family financial circumstances that prevented the family from meeting their financial obligations.
2. A family break-up that contributed to a negative reference.

3. Family members responsible for negative behavior that no longer reside in the household.
4. Family medical or disability circumstances that led to a negative reference.

AHFC may consider the following family actions when determining if a family has mitigated a previous negative behavior (this is not an exhaustive list).

1. A family member's current participation in or successful completion of family counseling, tenancy skills classes, and/or treatment programs that address previous negative behavior.
2. A family's payment plan or payments to resolve a debt.
3. A family's agreement to obtain additional services such as chore workers, housekeeping services, or aides that will assist the family with meeting lease obligations.
4. A family's agreement to obtain payee services to ensure prompt payment of financial obligations.
5. A family's corrective actions to eliminate a previous negative event.