

Freedom Village Cooperative, Inc.

Credit Worthiness Criteria

An applicant's past and present performance in meeting financial obligations is one of the components by which an applicant(s) will be considered.

Applicants who do not have established credit reported on their credit report, or do not have a score, will be evaluated through proof of a positive payment history from three "non-traditional" or "alternative" credit sources. Non-traditional/ alternative credit sources include, but are not limited to; rent, car insurance, utility, phone, cable/internet bills, etc.

The following will be considered examples of unfavorable credit references and will serve as the basis for rejection of an application:

- A. Three (3) or more trade line references past due in the previous two years, excluding medical accounts;
- B. Any past due, outstanding account with a housing related company, including a previous landlord and/or property management company, utility company (electric, gas, phone, etc.) and/or mortgage lien holder;
- C. Charge-offs and collections that show as "unpaid" (excluding medical accounts), and that are not in repayment status, Housing related debts, as listed above, must be paid in full. Proof of payment arrangements for all other unpaid charge-offs and collections, as well as proof of an initial payment on the account in collection or charge-off status, will be required;
- D. Applicants with any *unsatisfied* public record;
- E. Debt-to-income ratio that exceeds 35%, as defined: Monthly reported debt [examples: anticipated mortgage (as disclosed in application), revolving lines of credit, car payment, etc.]/ monthly income.

If any of the above mentioned *unfavorable credit references are the result of a financial hardship or medical catastrophe* (military duty, divorce, disability, death of immediate family member, loss of job, etc.) the board of directors may, at their own discretion, waive any or all of the above referenced creditworthiness guidelines. In such case, the applicant(s) will be required to provide documentation and/or a letter of explanation of such hardship or catastrophe.

This policy was approved and adopted on December 2, 2015.

The foregoing is a true and accurate account, attested by,

Fay Waterman, Secretary.