



## Rental Scoring & Your Rental Application



Thank you for applying at a MAXX Properties community. We take pride in providing quality housing at affordable rates. We are committed to complying with all applicable fair housing laws. We will be using the services of a third party application processing company to process your application. Your application will be processed without regard to race, religion, age, sex, national origin, color, familial status, or handicap.

Ever wonder how a creditor decides whether to grant you credit? For years, creditors have been using credit scoring systems to determine if you'd be a good risk for credit cards and auto loans. More recently, credit scoring is being used to help apartment community managers evaluate your likelihood to fulfill an apartment lease. Here's how scoring works in helping decide who gets an apartment – and why.

### What is credit scoring?

Credit scoring is a system that creditors use to help determine whether to give you credit. Information about you and your credit experiences, such as your bill-paying history, the number and type of accounts that you have, late payments, collection actions, outstanding debt and the age of your accounts is collected from your credit application and your credit report. Using a statistical program, creditors compare this information to the credit performance of consumers with similar profiles. A credit scoring system awards points for each factor that helps predict who is most likely to repay a debt (or, in this case, fulfill the lease). A total number of points – a credit score – helps predict how creditworthy you are, that is, how likely it is that you will make the payments when due.

### Why is credit scoring used?

Credit scoring is based on real data and statistics, so it usually is more reliable than subjective or judgmental methods. It treats all applicants objectively. Judgmental methods typically rely on criteria that are not systematically tested and can vary when applied by different loan officers or apartment leasing professionals.

### What can I do to improve my score?

Credit scoring models are complex and often vary among creditors or apartment management companies. If one factor changes, your score may change – but the total improvement generally depends on how that factor relates to other factors considered by the model.

Nevertheless, scoring models generally evaluate the following types of information in your credit report:

- **Have you paid your bills on time?** Payment history is typically a significant factor. It is likely that your score will be affected negatively if you have paid bills late, had an account referred to collections, or declared bankruptcy.
- **What is your outstanding debt?** Your score is likely to be affected negatively if the amount you owe is close to your credit limit.
- **How long is your credit history?** An insufficient credit history may have an effect on your score, but that can be offset by other factors, such as timely payments and low balances.
- **Have you applied for new credit recently?** If you have applied for too many new accounts recently, your score may be negatively affected.
- **How many and what type of credit accounts do you have?** Although it is generally good to have established credit accounts, too many credit card accounts may have a negative effect on your score.

Credit models also evaluate information from your application, such as income and length of employment. To improve your application score under most models, concentrate on paying your bills on time, paying down outstanding balances and not taking on new debt. Your chances of approval should also improve if you apply for an apartment with lower monthly rent or use a co-signer.

- Criminal history - Applicants may be denied if convicted of a felony or misdemeanor in the last 10 years. Applicants will be denied if convicted of a misdemeanor or a felony related to firearms, drugs, theft, destruction of property, crimes against a person, or any crime involving a minor.
- Qualifying Criteria – based on qualifying scores, applicants may be required to pay an additional deposit.
- All applicants and occupants over 18 years of age are required to be listed as a leaseholder, complete a rental application, and qualify under the standards established for the community.
- Falsification of any information on the rental application, negative reporting on any of the above listed items, or insufficient information to screen the application, may result in denial of the application.

Your signature below acknowledges that you have read and understand this document and are authorizing permission to obtain the information listed above.

Applicant: \_\_\_\_\_ Date \_\_\_\_\_ Applicant: \_\_\_\_\_ Date \_\_\_\_\_

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