

Evergreen Village Cooperative, Inc.

Policy for Member Applications

All persons who are applying for Membership in the ROC must complete the following:

- apply either electronically online or on a paper application for provided by the Cooperative.
- be screened by a 3rd party agency and based on Cooperative approved criteria
- applicants also must be approved by a vote of the **Board of Directors**
- applicants must be provided information about the co-op and be willing to accept the rights and responsibilities of membership in the Co-op
- applicants sign all pertinent agreements upon approval
- applicants must receive the following items required by PA law- these must also be signed and acknowledged by all applicants
 - o Fee Disclosure Statement
 - o Public Offering Statement and Declaration of the co-op
 - o Community Rules and Bylaws
- approved members will be required to attend a ROC orientation within 4 weeks of approval to learn more about the ROC.

The **Property Manager** shall be responsible for:

- Ensuring that the Seller receives a resale certificate to be given to the applicant prior to the Member applying for Membership in the Cooperative.
- Providing interested applicants an **Application for Membership Packet**, including the following materials:
 - ◆ Information regarding becoming a Member of the ROC
 - ◆ Application for Membership and authorization form
 - ◆ A copy of the Community Rules, Bylaws and Proprietary Lease Agreement
 - ◆ Copy of the Public Offering Statement and Declaration
 - ◆ Acknowledgement form for ROC Agreements
 - ◆ Fee Disclosure Statement
- Collecting the application from perspective Members; along with:
 - ◆ Application and Auth form signed by all adult applicants
 - ◆ Payment for the screening of all adult applicants
 - ◆ **copy of all applicants social security number or statement showing evidence
 - ◆ Copies of Photo ID for all applicants aged 18 and over
 - ◆ Proof of income from all applicants- should be 4 weeks (1 months) payroll or other monthly income
 - ◆ Acknowledgement forms signed by all adult applicants.
 - ◆ Any supportive information provided with the application- optional
 - ◆ Disclosure Fee Statement- dated and signed by the applicants
 - Note- the application can only be processed after a 5-day waiting period to provide time for rescindment period allowed by law

- Processing application through a 3rd party screening, for all adult applicants. This screening is done for criminal and credit background¹, reviewing income information and verifying that the applicants meet debt to income ratio requirements. The response will be to either accept the application, accept the application with conditions or reject the application.
- Coordinating with the Board appointed **Member Screening Chair** if there are items to discuss about the applicant. The Chair will inform the **Board of Directors** of the need for an upcoming approval vote of the applicants.
- Providing all applications, regardless of approval status, to **Board of Directors** for a vote on the recommendation to accept or reject the application.
- Upon decision of the Board of Directors, send a letter to the applicants informing the applicants of the decision. All denied applicants will be sent a Letter of Adverse Action.
- Keeping all application records on file according to corporate retention requirements. All authorization forms must be kept on file for a minimum of 5 years.
- Coordinating with all approved applicants and the **Board of Directors** for signing of Proprietary Lease and Membership Agreements. **Property Manager** will be responsible for the collection of the membership fee and first month lot rent.
- The **Property Manager** shall ensure that the agreements of new members are filed along with a copy of proof of ownership.
- Providing approved applicants with information on communication protocols/policies and park information, including next steps for the orientation meeting for the new applicants.

Board of Directors is responsible for:

- Appointing a Member of the Board of Directors to be a **Member Screening Chair**.² The **Member Screening Chair** shall contact the applicants for a brief overview of ROC Membership benefits, rights and obligations.³
- Meeting as needed to review recommendations of the **Property Manager** of the member application. The **Board of Directors** will not have access to financial or credit information of the applicants.

¹ The Cooperative shall draft and approve a Criminal Background Criteria Policy and a Credit Report Criteria Policy (with debt-to-income ratio requirements), outlining the specific requirements for approval.

² The Member Screening Chair must be trained and understand the role and importance of following all Fair Housing Guidelines.

³A copy of the Fair Housing poster should be placed or posted in a place where the new member/applicants can see it. The Guidelines for interviewing members should be used to ensure fair housing guidelines are met.

- Review and vote to approve or deny the recommendation of the **Property Manager** and make note in the corporate record of the Motion and results.
- Informing the **Property Manager** with the results of the vote and request that the **Property Manager** inform applicants of decision and next steps.
- Notifying the **ROC Orientation Committee** and ensuring that a new member orientation is scheduled for the new members within 4 weeks of move-in.
- The ROC Conflict of Interest and Code of Ethics Policies must be followed at all times when screening new members of the community.
- Board Members will prepare, execute and present the Membership Certificate to the new member household at a time coordinated by the **ROC Orientation Committee**.

ROC Orientation Committee Role:

WITHIN 4 WEEKS OF OCCUPANCY:

- The Chair of the **ROC Orientation Committee** shall reach out to the applicants to schedule a time to meet for ROC Orientation.
- No more than 3 Orientation Committee Members will meet with the applicants to welcome and orient the new members by:
 - Explaining the benefits, rights and obligations of living in the ROC.
 - Providing time to answer questions about the ROC Bylaws and Rules.
 - Reviewing and providing copies of all Policies of the ROC.
 - Providing logistical information specifics to the Cooperative.
 - Providing information on how to sign up for myrocusa.org.
 - If available- provide a new member handbook to the new member(s).
 - Provide an invitation and information to the new member(s) of upcoming Board and/or member meetings where they will be presented with their Membership Certificate.

This policy was approved and adopted on July 28, 2022.

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

DocuSigned by:
Barbara Massarano, Secretary
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Evergreen Village Cooperative, Inc.

Credit Report Policy

This Policy is an outline of the agreements of the **Board of Directors** and **Property Management Firm (third-party Management)** regarding processing and handling of credit reports that are retrieved and reviewed while screening applicants for Membership or additional household members.⁴

All practices and protocols must be in keeping with the **Fair Credit Reporting Act (FCRA)**. Accordingly, obtaining credit reports will be handled in the following manner:

1. Applicants will be required to sign an **Authorization form**, allowing the Property Management Company and 3rd part screening agent, to obtain a credit report on behalf of the Cooperative. The form must be signed by all adult applicants.
2. Applicants must provide a copy of their photo ID so that verification of identity can be made prior to requesting applicant(s) credit report(s).
3. Applicants must be provided or offered a copy of a **“Summary of Your Rights under the FCRA”**. ****Review specific state law for any additional requirements.**
4. The **Property Manager** will screen applicants using the ROC specified Creditworthiness Criteria. Credit report and information contained is to be held as strictly confidential. No other person shall have access to the report or information.
5. The **Property Manager** will use the information in the report to verify information in the application; such as most recent address and verification of reported debts. The **Property Manager**, if warranted, may contact an applicant for input or information if needed to verify information on the report that supports the recommendation. The **Property Manager** may not ask applicants to provide explanation on specific defaults or bad debts reported or share any specific items shown on the report.
6. **Property Management Company** will solely use the information provided to make a recommendation to the **Board of Directors** for approval or denial of the application.
7. The **Property Management Company** will be in charge of security with regard to the credit information received and the credit files of any and all applicants, admitted or denied. The Property Manager will adhere to the Record Retention Chart in all instances. Credit report specifics may not be discussed with the applicant. It is prohibited to share a copy of the credit report with the applicant. The **Property Manager** will only share the credit report information with the **Board of Directors** in cases where additional information was provided by the applicant that would warrant an exception to the policy criteria. All information provided will be held and discussed in the strictest confidential manner and only during executive session of the Board.

⁴ See **Additional Household Member Policy**

8. All signed **Authorization Forms** are to become part of the file maintained on that applicant, and such authorization form shall not be destroyed for 60 months (or longer, as dictated by the credit reporting agency) from the date of application, regardless of whether or not the person is admitted as a member.
9. If upon review of the Credit Report, any applicant does not have established credit as shown, the applicant will be evaluated through proof of a positive payment history from three “non-traditional” or “alternative” credit sources. The **Property Manager** will may choose to accept the application with conditions and request that the applicants agree to pay by ACH payment for a 12-month period.

This policy was approved and adopted on July 28, 2022.

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Barbara Massarano
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Secretary

Evergreen Village Cooperative, Inc.

Creditworthiness 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 for Membership in the ROC. This Policy outlines the criteria in which a credit analysis and income review are used to make a recommendation to the Board of Directors for either the approval or denial of Membership applications.

If upon review of the Credit Report, any applicant does not have established credit as shown, the applicant will be evaluated through proof of a positive payment history from three "non-traditional" or "alternative" credit sources. **The Property Manager** may accept and recommend the application upon conditions that the applicant/member agree to set up ACH payment for the 1st year of the Proprietary lease.

The following will be considered the criteria for the basis of a recommendation to DENY any application. This information may be reviewed in conjunction with any applicant provided documentation of hardship situations.

- A. Two (2) or more trade line references that show items that are past due in the previous five (5) years, excluding medical accounts or student loan debt.
- B. Any past-due, **outstanding** account(s) with housing-related companies, including a previous landlord and/or property management company, utility company (electric, gas, phone, etc.) and/or mortgage lien holder (if applicable).
- C. Charge-offs and collections that are recorded as "unpaid" and that are not in repayment status.
- D. Applicants with any **unsatisfied** public record; as shown on the credit report.
- E. Upon review of income of the applicants, evidence that the debt-to-income ratio exceeds 33% of the household income. This is determined by the estimated housing debts (mortgage and unit rent as reported on the application and known average divided by the amount of reported household income). Only monthly income from payroll or other sources of regular income shall be used to calculate this ratio.

If the applicant has reported that a financial hardship or medical catastrophe (military duty, divorce, disability, death of an immediate family member, loss of job, etc.), exists, the Property Manager may, at their own discretion, waive any or all of the above-referenced **Creditworthiness Criteria**. In such cases, the applicant(s) will be required to provide documentation and/or a letter of explanation of such hardship or catastrophe along with the application and the Board of Directors will be provided a note acceptance with considerations, along with said documentation, prior to a vote on the recommendation.

This policy was approved and adopted on July 28, 2022.

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Evergreen Village Cooperative, Inc.

Criminal Background Criteria

All adult applicants that apply to live in the community are required to provide authorization for the submitting to a National Criminal Background Search and if applicable, State or County Background screening⁵. This Background Screening is one component of the screening process used to make a recommendation to the Board of Directors for either approval or denial of Membership or requests to join a Membership Household as an additional occupant or member.

This Policy outlines the criteria in which this Background screening may be used to make that recommendation. All applicants may supply written documentation and explanation along with their application if they feel that there are circumstances and evidence that would allow waiving the criteria. The **Property Manager** will provide such documentation along with the recommendation with a notice of waiver request. The Board of Directors holds sole authority on the approval or denial of any recommendation of the **Property Manager**.

The following may be the basis for denial for Membership or occupancy in the Community:

- A. For a period of 5 years, convictions of any felony related crime or for period of 3 years convictions of any misdemeanor crime that signifies are health and safety threat to the community or threat to peaceful enjoyment of the community
- B. For a period of 5 years, an extensive criminal record, or a combination of criminal convictions which signify that the applicant has a disregard of local, state and/or federal laws;
- C. Any sexual offense conviction on the applicant's criminal record; or
- D. A conviction that is classified as a hate crime on the applicant's criminal record.

Individuals convicted of nonviolent crimes that present no risk to a community or to the right of residents to quiet enjoyment should not be excluded from Membership automatically. Only individuals convicted of assault, rape, murder or another violent or sex crime, of the illegal manufacture or distribution of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. Section 802), or of any other crime that poses a significant threat to property of the community and residents and/or to resident safety may serve as the basis for rejecting an application for Membership.

Moreover, consideration will be given on a case-by-case basis to the amount of time which has passed since the conviction and to any information proved by the applicant regarding applicant's activities subsequent to the conviction, and the Board of Directors may, at their own discretion, waive any or all of the above referenced Criminal Background Criteria Guidelines based on its consideration of these factors.

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Additional Household Member Policy

It is important that all persons who are residing in a household be listed on the occupancy agreement of the member (or non-member). Should a household have overnight guests for longer than thirty (30) days in a 12-month period, that person will be considered a household member and will need to be screened for criminal background criteria and also approved by the Cooperative **Board of Directors**. Approval is based on criteria set by the Cooperative and based only on the person being screened. Payment for the screening is by the household owner/applicant. New household members are screened for criminal background criteria only.

It is *the responsibility of the household owner to proactively request the update and screening process for any new household occupants.* The following agreement should be followed and adhered to:

1. The **household owner** shall reach out to the **Property Manager** to ask for an **Auth form** to complete for the additional person coming into the household.
2. Once the form is completed by the additional household applicant, the household owner should submit the form, payment for the screening and a copy of the applicants legal ID to the **Property Manager**.
3. The **Property Manager** will screen the application for additional household member and provide the Board of Directors evidence and a response of the screening in line with the criminal background criteria policy of the Cooperative. The **Board of Directors** will vote to either approve or deny the request based on the information provided in the screening
4. The **Board of Directors** will inform the **Property Manager** of their decision and the **Property Manager** will respond to the homeowner/applicant in writing of that decision.
5. The **Property Manager** will update the homeowner Proprietary Lease Agreement with the additional household member.
6. If the additional member of the household is to be included in the voting membership-arrangements to amend the Proprietary Lease Agreement and have the new member sign the agreement will be coordinated by the **Property Manager**.

Failure to proactively follow this agreement and policy is a serious matter and in attempts to hold residents accountable to all agreements, the **Board of Directors** will take necessary action when this agreement is not upheld. Action may mean vote to commence expulsion or termination of the lease agreement through Eviction.

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