WATERLOO TERRACE TENANT SELECTION CRITERIA

Effective 10/1/2026

APPLICATIONS: Applications are accepted in person, by email, US mail and fax at our Leasing Office during regular business hours. Individuals with a disability may request a Reasonable Accommodation either verbally in person, in writing, via email, or by phone to complete the application process. See below for property contact information. This criteria describe the requirements used to evaluate applicants for residency. Waterloo Terrace contains National Housing Trust Fund units that float across every unit type. Because any unit may carry the NHTF designation during occupancy, the PRWORA eligibility requirements in this document apply throughout the development. Other programs, loan, fair housing, VAWA and local requirements also apply.

OCCUPANCY STANDARDS: One (1) person maximum occupancy per unit. In the event a HH becomes pregnant during tenancy the HH will be given the option to move to one of our family properties if unit is available. If unit is not available at a family property the HH will be placed on the waiting list under the reasonable accommodation category.(This would also apply to any children adopted, fostered or temporarily place under resident's care). Applicant would need to meet the family property criteria.

AGE: All applicants must be 18 years of age or older unless Federal/State regulations provide for a variance.

IDENTIFICATION: Applicants must have a Social Security Number or a Tax ID Number (TIN). If an Applicant does not have a valid Social Security number or Tax ID Number (TIN) and we are unable to obtain an accurate criminal history report using our criminal history search, management will run the applicant's information through a DPS database search.

NON-REFUNDABLE APPLICATION FEES: Applicant must provide a $30, nonrefundable application fee at the time of Application. Application fee for PBV applicants does not apply.

DEPOSIT: There is a $100 refundable Security Deposit for each unit payable at the time of Move-In. All Security Deposits will be subject to the rules as outlined in the TAA Lease Paragraph 5. Your Security Deposit refund (less lawful deductions) will be mailed within 30 days after vacating the unit. Security Deposit for PBV applicants does not apply.

LEASE TERMS: Initial lease term will be one (1) year.

INCOME AND RENT LIMITS: This chart represents the current gross rent and income limits at Waterloo Terrace:

Household Size 1	Income Limits	Rent Limits
27 Units @ 30% of MFI	$28,230	$705
27 Units @ 40% of MFI	$37,640	$941
78 Units @ 50% of MFI	$47,050	$1,176
*Revised 06/01/2026 per TDHCA		

- The income limit is the maximum income you can earn to live in a program unit. These limits are released by the federal government every year and are based on what other people in your area earn. Income limits vary by the number of household members.
- The rent limit is the maximum rent the property may charge for the program units. The rent limit is a percentage of the income limit. Rent limits vary by the number of bedrooms in an apartment. (HACA PBVs charge fair market rent which may be higher than the established rent limit.)
- Rent limits for TDHCA rental programs are not based on your individual household income.
- Each property has its own Land Use Restriction Agreement or "LURA" which determines the number of apartments that must be leased at certain income and rent limits.
- Income and rent limits may be different for apartments with the same floor plan on the same property. This means that your rent may be different from your neighbor's rent because of the LURA. Other properties in the same area can have different income and rents limits because their LURA may be different.

INCOME REQUIREMENTS:

- **Private Pay Applicants**: Must have verifiable monthly earned income at least **1.5 times** the monthly rental amount.
- **Applicants that receive disability income, retirement income, SSI or SSDI**: The household must meet at least **1.5 times** the monthly rental amount. Proof of CURRENT retirement benefits, social security or disability income is required.
- **Section 8 Applicants**: Waterloo Terrace accepts Section 8 Vouchers. Must have verifiable monthly income that is at least **1.5 times** the household's portion of the rental amount
- **HACA PBV Applicants:** Minimum income requirements are not applicable.
- Family support cannot exceed 25% of the total household income to qualify and must be verified.
- If income is within $100 a month of the minimum income standard the application will be deemed as meeting income.
- Co-signers will not be accepted.

EMPLOYMENT HISTORY: Each employed applicant over the age of 18 years must provide the most recent **two (2) months** of consecutive pay stubs. **For LIHTC Units ONLY-** Each employed applicant over the age of 18 years must provide a minimum of 2 up to 4 most current consecutive pay stubs. If pay stubs are unavailable then a third-party Verification of Employment will be obtained. In the event of a job change in the last 6 months, we will confirm employment end date. Proof of CURRENT retirement benefits, social security or disability income is required.

SELF-EMPLOYMENT: Self-employed individuals must demonstrate self-employment for a minimum of 4 months. All self-employed individuals are required to provide business book-keeping records with supporting documents which may include copies of checks, invoices, contracts, receipts, Profit/Loss statement, or 1099s AND a copy of the most recent year's tax return (1040 with Schedule C), if available, for all self-employment income sources. If operating on a 'cash only' basis, applicants must track their gross monthly income as well as expenses and provide documentation to prove their net monthly income. Supporting documentation of current income must be submitted even if a tax return is provided. I*f documents cannot be provided or are insufficient to adequately support stated income from self-employment, then your application will be denied.*

ASSETS: Each applicant is required to provide proof of all owned assets prior to application approval. Acceptable forms of asset verifications include, but are not limited to:

- Most recent checking statement, savings statement, pre-paid debit card statement or ATM receipt showing current balance
- Current statement of investment accounts (i.e. 401K, CDs, Mutual Funds, Stocks, Whole Life Insurance, Oil Rights, etc.)
- Real Estate information including sale of real estate within the past 2 years.

PRWORA and NHTF eligibility

Waterloo Terrace contains NHTF-assisted units that float across every unit type. To preserve the ability to designate any unit as NHTF-assisted, all residents must satisfy the applicable citizenship, U.S. national, or qualified-alien requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and TDHCA requirements. This requirement applies to new applicants, and current lease signers at the required renewal or recertification event.

- Each proposed lease signer must receive the required written notice, present the identity and status documentation identified by the current TDHCA flowchart or online tool, and sign the TDHCA Attestation Form.
- Management will complete the TDHCA Household Status Verification form and will use USCIS SAVE when directed by TDHCA requirements.
- A person classified as a qualified alien must be processed through SAVE at each lease renewal under current TDHCA guidance.
- A new resident may not move in until required verification is complete.
- Existing residents will be contacted at least 90 days before the applicable renewal or recertification effective date whenever advance verification is required.

VAWA exception

When a household establishes coverage under the Violence Against Women Act in accordance with applicable requirements, management will verify identity but will apply the legal-status-verification exception described by TDHCA. VAWA information will be maintained separately and confidentially.

Unable to verify or adverse result

If a lease signer cannot be verified, lacks required documentation, is classified as unqualified, or receives a SAVE result requiring more information, management will provide the required written notice within two business days after receiving the determination. The notice will explain the result, any information needed, record-correction rights, appeal rights and deadlines, and the possible consequence. The household will be allowed 30 days from notice to pursue correction or appeal before reverification. No final PRWORA-based denial or nonrenewal will occur while a timely correction request, additional verification, internal appeal, or TDHCA appeal remains pending.

PRWORA appeal rights

- The applicant or resident will have at least 14 days after receipt of a denial or nonrenewal notice to appeal to the Owner or Management Agent.
- Management will investigate and issue a written decision within 10 days after receiving the appeal. The decision will state the outcome and reasons and explain how to appeal to TDHCA.
- Management will not proceed with a final denial or nonrenewal while a timely TDHCA appeal is pending.
- If verification remains unsuccessful after all required cure and appeal rights, a new application may be denied. An existing household may be subject to nonrenewal with the notice required by law and program rules.

CREDIT HISTORY / RENTAL HISTORY: Waterloo Terrace staff will obtain a credit report from a Credit Bureau on each applicant. All rental history reflected on the credit report will be verified. The name of the third party screening company will be provided upon request. Rental history must be provided on application for past 2 years. Note: The third-party used does not make any decisions on approval or denial of credit. Credit scores are not pulled nor do they impact a household's approval or denial. Rental history may include apartments (or other rentals), shelters, transitional housing, friends/ family or homelessness. Evidence of Homelessness will also be required if applicable.

Applicants who have skipped/left without notice, been asked to move, terminated or non-renewed by management for non-rent issues or who have a history of lease violations for violent or aggressive behavior toward staff or residents or damage to property will be denied; applicants who can show a minimum of 12 months of positive rental history (defined as no more than one lease violation) since the negative rental history will be considered for occupancy. Applicants who currently owe money for property damage in excess of $500 will be denied. Applicants will not be denied solely for rental history that reflects money owed for nonpayment of rent. If the property is unable to verify the reason for money owed, an individualized review* of the rental history may be conducted.

Applicants who have negative rental history at any community owned and managed by Foundation Communities will be denied. Negative Rental History is defined as those who have been evicted, skipped/left without notice, asked to move by management, non-renewed, or currently owe FC money for rent and/or damages. Applicants with negative rental history from an FC property, who do not currently owe money to any FC property, may request an individualized review* of their application and previous rental history with FC.

The above does not apply to applicants who were charged for any damages and/or received lease violations that are directly related to protections under the Violence Against Women Act (VAWA). For Applicants applying to live at a Foundation Communities (FC) property who have previously participated in an FC Special Program (CHI, SafePlace, LifeWorks or Salvation Army) and left the program in good standing, rental and credit history prior to program participation will be disregarded. For applicants who have lived at an FC SRO property and are in good standing, rental and credit history prior to SRO residency will be disregarded. Any rental or credit history that has occurred in the interim will be subject to FC's typical rental and credit criteria. Good standing is defined as:

- No lease violations that reflect violent or aggressive behavior toward staff or residents or damage to property
- No balances owed to the property including utility bills
- No eviction or non-renewal and did not skip without notice from the FC property

CRIMINAL HISTORY: All applicants will be screened for criminal history activity at the time of application.

1. The following criminal convictions will be permanently excluded/denied:
   - Capital Murder, Murder/Manslaughter, or any Murder Related Offense
   - Rape, Sexual Assault, Lifetime Registered Sex Offenders
   - Kidnapping
   - Arson
   - Felony Manufacture of Methamphetamines*

     * FC may request further information for felony drug manufacturing charges that are not specific
2. Felony convictions involving violence or use/possession of a weapon will be excluded for 6 years from the date of conviction. This includes felony (not misdemeanor) convictions for any type of assault, terroristic threat, obstruction or retaliation, violation of a protective order, burglary of habitation, aggravated robbery, and harassment. We reserve the right to determine whether an act qualifies as violent for the purposes of screening our applicants.
3. Non-violent felonies will be excluded for 2 years from the date of conviction.
4. All Class A misdemeanors will be excluded for 1 year from the date of conviction.

Applicants may request an individualized review* to consider mitigating circumstances for criminal convictions resulting in a denial.

*An individualized review may be requested by contacting the Property Manager or by sending an email request to indreview@foundcom.org. within five business days of the denial.

STUDENT STATUS (TAX CREDIT): A student is anyone who attends a public or private high school, college, university, technical, and trade or mechanical school; but does not include those attending on-the-job training courses. Applicants will be required to disclose their student status on the application. Student status will be verified through the educational institution, whether part-time or full-time is disclosed on the application. Changes in Student Status must be reported to the Property Manager at the time of the change.

Households may not at any time be comprised completely of full time students who have been or will be a full-time student for five or more months during the current and/or upcoming calendar year (months need not be consecutive) unless they satisfy one of the following exceptions (with documentation):

- A student receiving assistance under Title IV of the Social Security Act (TANF);
- A student who was previously in the foster care program (must provide documentation of participation);
- A student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other Federal, State or local laws (must provide documentation of participation);

- The household is comprised of single parents and their children and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children. In the case of a single parent with children, the legislative history explains that none of the tenants (parent or children) can be a dependent of a third party;
- The household contains a married couple entitled to file joint tax returns.

STUDENT STATUS (HOME): All Applicants are required to disclose their student status on the application. A student is defined as an individual enrolled, part-time or full-time, at an institution of higher education as defined under the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002) to obtain a degree, certificate, or other recognized educational credential.

Owners of developments with HOME funds are required to screen and document student status for each individual between the age of 18 and 24. If an individual(s) is enrolled at an institution of higher education, each individual must meet student eligibility requirements in accordance with 24 CFR 5.612 and the HOME Final Rule. *You will be required to provide supporting documentation.*

Part 1: To evidence independence from your parent(s)/legal guardian, each of the following three (3) criteria must be met. You will also be required to submit a signed certification documenting if (and how much) financial assistance your parent(s) / legal guardian gives you.

a. Be of legal contract age under state law; **AND**

b. Have established a separate household from parent(s) / legal guardian for no less than one (1) year from the date of application; **AND**

c. Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations.

Part 2: To evidence independence from your parent(s)/legal guardian, one (1) of the below exceptions under the U.S. Department of Education's definition of an independent student must be met:

a. Will be at least 24 years old by December 31st of the current year;

b. Is legally married;

c. Is working on a master's or doctorate degree program (such as M.A., M.B.A., Ph.D., graduate certificated etc.);

d. Is currently serving on active duty in the U.S. armed forces for purposes other than training;

e. Is a veteran of the U.S. armed forces;

f. Have a legal dependent(s) i.e. child or parent;

g. Have at any time since age 13 years old been an orphan, in Foster Care or a dependent/ward of thecourt;

h. Were an emancipated minor or in legal guardianship prior to turning 18;

i. Is homeless, or self-supporting and at risk of being homeless (must be verified by either a high school or district homeless liaison, director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development ("HUD"), or the director of a runaway or homeless youth basic center or transitional living program.

If you are a student and did not meet an exception in Part 1 or 2 above, under this program, you are considered a dependent of your parent(s)/legal guardian. In order for you to live at this property, your income **PLUS your parent(s)/legal guardian's income must be verified. The property must perform a certification that uses source documentation to verify the income and assets of you and your parent(s)/legal guardian. None, you must also be able be independently income eligible under the income limit for this property. If this cannot be provided, you are not eligible to live at this property.

WRITTEN POLICIES AND PROCEDURES: You will receive a copy the following policies as part of your application:

- Reasonable Accommodation/504 Policy
- Denied Application Policy
- Privacy Policy
- Wait List Policy
- Pet Policy
- No Smoking Policy
- Recertification Policy
- Unit Transfer Policy
- Non-Renewal / Termination Policy
- Grievance Policy/Individualize Review Process
- Community Policies/Parking Policy
- Bed Bug Prevention Policy
- Tenant Rights and Resources Guide
- Tenant Rights and Resources Signature Page
- VAWA Notice of Occupancy Rights
- Property Fee Transparency Disclosure

Screening criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, the Federal Fair Credit Reporting Act, program guidelines, and the TDHCA rules. Certain communities are to maintain specific GUIDELINES necessary to meet FHLB, RTC, HOME, BOND, and TAX CREDIT Compliance Guidelines.

Individuals with a disability may request a reasonable accommodation to complete the application process either verbally in person at 12190 N. Mopac Expressway, Austin, TX 78758, in writing, via email, or by phoning the Management Office at 512-735-1630. Office hours are 8:00 am to 4:00 pm. Si alguna persona con alguna discapacidad necesita ayuda, o alguna persona tiene dificultad entendiendo Ingles, será un placer ayudarles en nuestra oficina. Nuestra oficina está localizada en el 12190 N. Mopac Expressway, Austin, TX 78758. Nuestro horario laboral es de lunes a viernes desde las 9:00 am hasta las 5:00 pm.

Any falsification in the application process will result in the automatic rejection of an application.
I have read and understand the Tenant Selection Criteria of this community.

_____ _____

Applicant Signature **Date**