



Individualized Assessment Credit Worksheet

Applying New York State Credit Policy for Applicants to State-Funded Housing

This individualized assessment worksheet is for use by housing providers that consider credit history as a component of tenant selection. If such history is not considered in tenant selection, this worksheet need not be used. Completed worksheets must be maintained along with records of all applicants and applications for a minimum of 2 years.

Development Name and Address:

Reviewer’s Name:

Applicant’s Name:

Date:

Prohibited Information

The following information may not be considered in this individualized assessment:

- Debt to income ratios;
- Lack of credit history or rental history;
- Housing court history or past or pending landlord-tenant action;
- Guarantors or co-signers, with the exception of not-for-profits or government entities acting on behalf of their clients;
- Home visits or representations of the applicant’s living situation; or
- Outreach to current or previous landlords, neighbors or others associated with the Applicant’s living situation (except as specifically authorized by the Applicant regarding landlord’s written record of rent payment pursuant to Part II, Step 1.2 below).

Certification

I hereby certify on behalf of the Owner, Managing Agent and their agents (together, “Recipient”) that the Recipient has read and is familiar with the requirements and provisions of the New York State Credit Policy for Applicants to State-Funded Housing, as may be supplemented or amended from time to time by HCR, and have complied fully with them.

I am duly authorized and have legal capacity to execute this Certification on behalf of the Recipient:

Signature: _____

Check if signing electronically

Print Name: _____

Job Title: _____

Employer: _____

Date: _____

Part I – Credit Review Criteria

Step 1 – Applicant Subsidy

If the Applicant is in receipt of rent subsidies that go directly to the housing provider and pays the entire rent, applicant may not be denied based on credit history.

1. Full Rent Subsidy	
<p>Are there government-provided subsidies or programs that go directly toward payment of Applicant’s rent that (together or by themselves) pay for the entire rent on an ongoing basis?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to Step 2.</p>	<p>Examples of rent subsidy include, but are not limited to:</p> <ul style="list-style-type: none"> • Section 8 voucher • HUD/VASH • Public assistance/FEPS • HOPWA/HASA • Rural Rental Assistance • Non-Profit Rental Assistance • Others

Step 2 – Credit Score

Applicants to state-funded housing may not be denied housing based solely on their FICO credit score. Housing providers may opt to consider a FICO credit score as one of several factors indicative of financial stability. If a housing provider intends to use a credit scoring system other than FICO, they must provide NYS HCR with documentation of how the score and model correspond to FICO. Note that having limited to no credit score is not the same as having poor credit and is not a cause for denial of housing.

2. Housing Provider Policy	
<p>Is it your policy as a housing provider to consider Applicant’s numerical credit scores as an indicator of financial stability?</p> <p><input type="checkbox"/> YES, complete question below:</p> <p><input type="checkbox"/> NO. Proceed to Step 3 and subsequent sections.</p>	
<p>Is the Applicant’s credit score 580 or above, or 500 or above if the Applicant is homeless?</p> <p><input type="checkbox"/> YES. Approve Applicant. The Applicant’s credit score is satisfactory.</p> <p><input type="checkbox"/> NO. Proceed to Step 3 and subsequent sections.</p>	

Step 3 – Factors as Grounds for Denial

Only the below factors can be grounds for denial. However, if any of these factors exist, the Applicant must be allowed **14 business days to submit any information** or documentation to explain or mitigate negative findings, which the housing provider must consider in its eligibility determination. A model letter can be found appended here: <https://hcr.ny.gov/afhmp-guidance>. Applicant must also be provided with a copy of his or her credit report and the HCR Know Your Rights handout (<https://hcr.ny.gov/KYR-Credit>), or similar documentation. Additional information regarding mitigating factors can be found in Part II below. **NOTE: A housing provider cannot deny an applicant on the basis of past or pending landlord-tenant actions or summary proceedings (such as evictions) under Article 7 of the Real Property Actions and Proceedings Law.**

3. Factors as Grounds for Denial	
Only the following factors may be grounds for denial based on Applicant credit history:	
A. Bankruptcy	
<p>Has the applicant filed for bankruptcy or had a bankruptcy executed upon within the preceding 12 months?</p> <p><input type="checkbox"/> YES. Consider mitigating factors and proceed to Part II.</p> <p><input type="checkbox"/> NO. Applicant may not be denied based on bankruptcy.</p>	
B. Delinquencies, Collections, Money Judgments and Liens	
<p>Does the Applicant have delinquencies, collections, money judgments or liens (“Applicable Debt”) that meet ALL the following criteria?:</p> <p><input type="checkbox"/> <i>Applicable Debt is open or unsatisfied (has not been settled)</i></p> <p><input type="checkbox"/> <i>Applicable Debt exceeds \$5,000 in total.</i></p> <p><input type="checkbox"/> <i>Applicable Debt is not medical or student loan debt.</i></p> <p><input type="checkbox"/> YES. Applicant’s Applicable Debt meets all the foregoing criteria. Consider mitigating factors and proceed to Part II.</p> <p><input type="checkbox"/> NO. Applicant may not be denied based on Applicable Debt.</p>	<p>An Applicant’s application cannot be denied based on delinquency stemming from student loan or medical debt.</p> <p>Applicable Debt may include:</p> <ul style="list-style-type: none"> • Debt that is over 120 days delinquent as of the date of the credit report; or • Debt that has been transferred to a collections agency and is being pursued for collection. <p>Applicable Debt may not include:</p> <ul style="list-style-type: none"> • Medical or student loan debt; • Satisfied and settled accounts that have been paid in full or as agreed prior to the date of the assessment; • Settled accounts in repayment, if Applicant can show proof of being up-to-date on payment towards settlement. If an Applicant is not up-to-date on repayment, the pre-settlement delinquency can count towards the \$5,000 threshold for Applicable Debt; or • Balances reflected on Charged-Off Accounts. <p>A “Charged-Off Account” is an account in which the balance has been transferred to a third-party agency. Such accounts will be reflected elsewhere in the credit report, if still outstanding.</p>

Part II: Applicant Outreach – Mitigating Factors

If the Applicant has failed Part I of the assessment, the housing provider is required to consider the following information prior to rejecting the Applicant. At this stage, the housing provider must reach out to the Applicant requesting additional information pursuant to Steps 1 and 2 below so that an individualized assessment may be conducted. A model request letter for additional information is appended here: <https://hcr.ny.gov/afhmp-guidance>.

The Applicant must be provided at least **14 business days** in which to provide such additional information. This is not an appeals process. A housing provider must consider the additional information proffered by the Applicant *prior to* making a determination regarding the Applicant’s eligibility.

Step 1: Mitigating Factors Mandating Eligibility

The following factors are mandatory mitigating factors regarding Applicant eligibility. If an Applicant is able to provide documentation affirming the existence of these factors, the Applicant must be deemed eligible on the basis of credit history.

1. Adverse Factors of a Violence Against Women Act (“VAWA”) Covered Crime	
<p>Has the Applicant informed the housing provider that he or she is a survivor of domestic violence, dating violence, sexual assault, or stalking (“VAWA Covered Crimes”) and provided information sufficient for the housing provider to determine that the negative credit or financial history is a direct result of the VAWA Covered Crime?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to next question.</p>	<p>The federal VAWA Final Rule and HCR policy require a housing provider to take into account “adverse factors” that may directly result from an individual being a victim of a VAWA Covered Crime. If an Applicant informs the housing provider that he or she is a survivor of a VAWA Covered Crime and provides information sufficient to allow the housing provider to determine that an adverse factor (such as credit score or bankruptcy) is a direct result of a VAWA Covered Crime, the Applicant cannot be denied housing on this basis.</p> <p>Additional information on adverse factors and the direct result analysis may be found in HUD Notice H-2017-05 and Notice PIH-2018-08(HA).</p>
2. Positive Rental Payment History	
<p>In the case of a negative finding of Bankruptcy or Applicable Debt, pursuant to Part I, Step 3 above, does the Applicant have evidence of positive rental history, indicating consistent, on-time rental payments in the past 12 months?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to Step 2.</p>	<p>Forms of evidence of positive rental payment include, at a minimum, but are not limited to:</p> <ul style="list-style-type: none"> • Canceled checks; • Rent receipts; • Landlord’s written record of rent payment; • Records of online rent payment; • Bank printouts showing direct payment to landlord; • Money order stubs; or • Any other form of evidence the Applicant can provide, accepted at the discretion of the housing provider.

Step 2 – Other Mitigating Factors

The following factors are other factors that the housing provider must weigh in considering an Applicant’s eligibility. The housing provider must weigh the totality of circumstances regarding the Applicant and any mitigating information in order to make a determination regarding eligibility.

3. Erroneous or Incomplete Findings	
Has the Applicant evidenced that the findings regarding negative credit history are erroneous or incomplete, and do the corrected findings indicate that the Applicant’s credit history is unlikely to negatively impact tenancy going forward? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Move to next question.	Examples may include, but are not limited to the following (check which apply): <input type="checkbox"/> Errors in credit reporting; <input type="checkbox"/> Evidence of settlement of delinquent accounts; or <input type="checkbox"/> Other (Explain in Box below).
4. Other Mitigating Factors	
Has other information been provided by the Applicant indicating that negative credit history is unlikely to negatively impact Applicant’s potential tenancy going forward? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Move to next question.	Examples may include, but are not limited to the following (check which apply): <input type="checkbox"/> Applicant’s negative history is due to incarceration; <input type="checkbox"/> Applicant’s negative history is due to deployment in the US Armed Forces; <input type="checkbox"/> Applicant’s negative history is due to an episodic financial crisis that no longer exists (e.g., short-term or temporary unemployment, illness, etc.); <input type="checkbox"/> Applicant has a payment plan for their past financial obligations and has been making timely payments. <input type="checkbox"/> Applicant is now in receipt of a government rent subsidy; or <input type="checkbox"/> Other mitigating or extenuating circumstances (Explain in Box below).
5. Determination	
Based on a consideration of all the factors and mitigating circumstances, is the applicant eligible for tenancy? <input type="checkbox"/> YES <input type="checkbox"/> NO Include a detailed explanation below: _____ _____ _____ _____	