

Lease Option Procedure

Due to Ann Arbor's lease ordinance we cannot start showing apartments or signing leases with new tenants until 3/20/2023. You do however have the option to reserve housing for fall. The procedure is as follows.

-If you find an apartment that you like you can begin the process by paying a \$75.00 application fee and submitting a rental application. If you don't meet the income requirement which states that the rent cannot exceed 30% of your gross monthly income, you will need a co-signer and they will also have to pay the \$75.00 application fee.

-Application approval is based solely on the MCR credit policy. Any applicant that is rejected will have their application fee refunded in full. If you change your mind after submitting an application fee, the money will not be refunded.

-If your application is approved we will send you a lease. Within 72 hours of receipt of the lease you will need to sign the lease and pay a \$500 deposit to reserve the unit. This deposit will be applied towards your first month's rent and is non-refundable once you sign the lease.

When we countersign the lease on March 20th you will need to pay the 1.5 months security deposit in full within 72 hours. Failure to do so will result in you losing the apartment and the \$500.00 deposit. If the current tenant winds up renewing their lease we will refund your application fee and deposit in full. We are doing our best to only advertise units that we have confirmed will be available for fall but it may not always be the case.

-The only money due at move in will be the balance owed on the first month's rent and laundry fee if it applies to the building you are moving into.

**Michigan Commercial Realty L.L.C.
2228 Packard St.
Ann Arbor, MI 48104**

CREDIT POLICY

Prospective lessees must show proof of legal income. Monthly rent cannot exceed 30% of the lessee's gross monthly income. A credit check will be required of all applicants including co-signers. Lessee's must also meet the following criteria-

- At least two credit references showing the account has had the last two scheduled payments made when due.**
- Not more than one credit reference showing a balance overdue by 60 days or more.**
- No unsatisfied collections.**
- No judgements against the person either satisfied or unsatisfied.**
- No bankruptcies in the past 10 years.**

The lessee must have a positive reference from a landlord, mortgagee, or land contract holder for any current or previous addresses at which they were a principal resident. A positive reference is one where the terms of the contract were met in full without chronic delinquency, behavioral or damage problems.

Verification of current address provided by a credit report, bills addressed to lessee, written verification of a current landlord or a copy of a current lease.

All persons over age 18 who will reside in the apartment must have credit approval and sign MCR's lease agreement. Any person under the age of 18 who will be residing in the apartment must have a parent or legal guardian sign the contract. In all cases the lessee must pay one full monthly rental installment and the security deposit in full prior to taking possession of the unit.

Security deposits are equal to 1.5 times the monthly rent.

If a prospective lessee does not meet the income requirement, they can still qualify for housing with a co-signer that does meet the terms of the credit policy. ALL applicants, INCLUDING co-signers must pay a \$75.00 application fee. Any applications declined by MCR will receive an adverse action letter from the credit reporting agency used and a FULL refund of their application fee(s). Prospective tenants who submit an application fee and decide after paying the fee to not move forward with leasing, will forfeit their entire application fee.