Exhibit D-Tenant Selection Plan

EQUAL HOUSING
OPPORTUNITY

EQUAL CREDIT OPPORTUNITY ACT (ECOA)

The Federal ECOA prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this assistance is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commisssion, Washington, D. C. 20580.

The Fair Housing Act prohibits discrimination in real estate related transactions or in the terms of conditions of such a transaction, race, color, religion, sex, disability, familial status, or national origin. The Federal agency that is responsible for enforcing this law is the U.S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U.S. Department of Housing and Urban Development, Washington, D.C. 20410 or call (800) 669-9777.

TENANT SELECTION PLAN

All applicants will be screened in accordance with the criteria set forth below. Management will strictlyverify all information affecting a household's eligibility including all information regarding income, household composition and ancillary related criteria such as the household's ability and willingness to comply with the lease and lease addendums. Verification must be no more than 90 days old.

All eligible applicants will be subject to the following criteria:

Credit History

- All applicants will be subject to a credit check to authorize the release of information that may be used to conduct an investigation into personal background for the purpose of residency for Remnant Management properties. Information may be released concerning character, credit, public record information (including record of civil judgments, arrests, convictions, motor vehicle violations, tax liens, or bankruptcy information) as well as diplomas, degrees, licenses and transcripts. Under the provisions of the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 et seq., written permission must be obtained before such information can be released. An applicant has the right, upon written request, to a complete and accurate disclosure of the nature and scope of the investigation and is also entitled to a copy of their Rights under the Fair Credit Reporting Act. Record of unpaid evictions, unpaid judgments, and unpaid local utility company (electric, gas, and/or water only) will be grounds for denial.
- The credit criteria will be waived for all applicants participating in any programs or receiving assistance which provides the landlord to recover any economic losses related to the tenancy.
- If the applicant owes a local utility company (electric, gas, and/or water only) this must be paid prior to moving forward with the application process.

- Criminal History
  - A criminal history check for all household members over the age of 18 (unless prohibited by law or other governing agency) to include Live In Aides showing no record of past criminal activity which may reasonably pose a threat to or adversely affect the health, safety, peaceful environment or enjoyment of the property by other tenants, staff members, agents, contractors, and/or Remnant

Management representatives on the Property. Agent will particularly screen for criminal activity as it relates to:

a) If a member of an applicant household has been convicted of a felony offense involving the sale or manufacture of a controlled substance the Management company:

- Will deny admission if the conviction, or exit from incarceration, occurred within 5 years of application.
- May deny admission if the conviction, or exit from incarceration, occurred more than 5 years but within 10 years of application.
- Will not deny admission if the conviction, or exit from incarceration, occurred more than 10 years before application.

b) If a member of an applicant household has been convicted of a violent felony offense, the Management company:

- Will deny admission if the conviction, or exit from incarceration, occurred within 5 years of application; and
- May deny admission if the conviction, or exit from incarceration, occurred more than 5 years before application.

c) If a member of an applicant household has been convicted of a nonviolent felony offense, the Management company:

- May deny admission if the conviction, or exit from incarceration, occurred within 7 years of application.
- Will not deny admission if the conviction or exit from incarceration, occurred more than 7 years before application.

d) If a member of an applicant household has been convicted of a violent misdemeanor, the Management company:

- Will deny admission if the conviction, or exit from incarceration, occurred within 2 years of application.
- May deny admission if the conviction, or exit from incarceration, occurred more than 2 years before application.

e) If a member of an applicant household has been convicted of a nonviolent misdemeanor offense, the Management company:

- May deny admission if the conviction, or exit from incarceration, occurred within 5 years of application; and

- Will not deny admission if the conviction, or exit from incarceration, occurred more than *5* years before application.

Where the Management company "may deny" admission to a household based on a criminal conviction or pending criminal charge, the Management Company will conduct an individualized assessment of the criminal record and its impact on the household's suitability for admission. This individualized assessment will include consideration of the following factors: (1) the seriousness of the criminal offense; (2) the relationship between the criminal offense and the safety and security of tenants, staff, or property; (3) the length of time since the offense, with particular weight being given to significant periods of good behavior; (4) the age of the household member at the time of the offense; (5) the number and nature of any other criminal convictions; (6) evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program, or recommendations from a parole or probation officer, employer, teacher, social worker, or community leader; and (7) tenancy supports or other risk mitigation services the applicant will be receiving during tenancy.

The Management Company will not consider an arrest or charge that was resolved without conviction. In addition, the Management Company will not consider expunged or sealed convictions. The Management Company may deny admission if an applicant has pending charges at the time of application.

**No member of the applicant household can be listed on any state's lifetime sex offender registry. This property uses a national screening service to confirm that applicants and their households are not lifetime registered sex offenders.

Disclaimer: Management reserves the right to consider the history of all criminal activity as a basis to determine eligibility.

- Landlord References

  - Contact with the current landlord and, if applicable, at least one prior landlord to gather information about past performance in meeting rental obligations, including but not limited to the following, rent being paid on time, housekeeping, condition of the unit, and getting along with neighbors. If any applicant is currently participating in any programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to impending tenancy and a negative landlord is received due to unpaid rent or money owed (other than damages) we will not hold it against the applicant. If a household has history of disturbances or destruction of property, they may be excluded from occupancy. Generally, the applicant/household must not exemplify a history of disturbances (especially a violent or abusive one), disturbance of neighbors, destruction of property, poor housekeeping practices, substance abuse or any other history which may be reasonably expected to adversely affect:

a) The health, safety, or welfare of other tenants.

b) The physical environment and fiscal stability of the neighborhood.

c) The peaceful enjoyment of the neighborhood by other tenants.

- In the event of the receipt of unfavorable information with respect to an applicant/household, consideration shall be given to the time, nature and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospect. For example:

  a) Evidence of rehabilitation.

  b) Evidence of the applicant household's participation and continuing willingness to participate in social services or other appropriate counseling service programs and the availability of such programs.

  c) Evidence of the applicant household's willingness to attempt to increase household income and the availability of training or employment programs in the locality.

  d) Evidence of repayment or continuance of satisfactory payment towards outstanding indebtedness.

- The applicant must have previously demonstrated an ability to pay rent and adhere to a lease. Applicants will not be rejected due to a lack of rental history but may be rejected for a poor rental history.

2. Nondiscrimination

The property shall not discriminate because of race, color, sex, familial status, religion, handicap, disability, or national origin. Questions and inquiries regarding applicant treatment relative to Section 504 of the Rehabilitation Act of 1973 should be addressed by mail to the following person, responsible for related policies: Executive Director, 327 N. Market Street, Washington, NC 27889.

3. Fair Housing

It is this property's policy to comply with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights act of 1968, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Fair Housing Act Amendments of 1988, E.O. 13166, the Violence Against Women Act (VAWA) and any legislation protecting the individual rights of applicants, tenants, or staff which may subsequently be enacted.

The Violence Against Women Act (VAWA, P.L. 109-62) and the Justice Department Reauthorization Act of 2005 protect housing assistance applicants and tenants who have been victimized by domestic violence, dating violence and stalking as follows:

- Applicants cannot be denied rental assistance solely because they were previously evicted from an assisted site for being victims of domestic violence.
- Applicants cannot be denied assistance solely for criminal activity or other acts against them that were directly related to domestic violence.
- Tenants cannot be evicted, nor have their subsidies terminated solely because they were victims of domestic violence. Being a victim of domestic violence does not qualify as a "serious or repeated violation of the lease" or "other good cause" for eviction.
- The domestic abusers may be evicted, and their names removed from leases. Remaining household members may continue residency as long as they are eligible.
    - If an applicant is a victim of domestic violence, certification of victim status will be required, which includes names of abusers, if known. Only victim service providers, medical professionals or attorneys who have counseled a victim can provide third-party verification of the applicant's/tenant's status as a domestic violence victim.

The property shall not discriminate because of race, color, sex, familial status, religion, handicap, disability, or national origin in the leasing, rental, or other disposition of housing in any of the following ways:

- Deny to any household the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs.
- Provide housing which is different than that provided to others.
- Subject a person to segregation or disparate treatment.
- Restrict a person's access to any benefit enjoyed by others in connection with the housing program.
- Treat a person differently in determining eligibility or other requirements for admission.
- Deny a person access to the same level or services.
- Deny a person the opportunity to participate in a planning or advisory group which is an integral part of the housing program.

It is the policy of this property, pursuant to Section 504 of the Rehabilitation Act (if applicable) and the Federal Fair Housing Act to provide reasonable accommodations and

modifications upon approved requests to all applicants, tenants, and employees with disabilities.

The property will do its due diligence to identify and eliminate situations or procedures which create a barrier to equal housing opportunity for all. In accordance with Section 504,

the Property will make reasonable accommodations for individuals with handicaps or disabilities as well as for individuals with limited English proficiency, Oral Language Services such as interpretation, and Written Language Services such as translation (applicants or tenants).

This property will do its due diligence on placing the Fair Housing and Accessibility logos on all company documents.

Questions and inquiries regarding applicant treatment relative to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, E.O. 13166 or the Fair Housing Act Amendments of 1988 should be addressed by mail to the following person, responsible for related policies: Executive Director, 327 N. Market Street, Washington, NC 27889.

This person(s) is not directly involved in the day-to-day decision-making process involving admitting applicants to the property.

4. Reasonable Accommodation/Modifications

A disabled applicant or tenant can request a Reasonable Accommodation/Modification at any time. The property manager will then forward the request and related documentation to the Regional Compliance Manager for review. The request will then be reviewed by the Regional Compliance Manager and, if necessary, a Director of Operations. Once the packet has been reviewed, a decision will be made within 10 days and the results delivered by letter.

If the Reasonable Accommodation/Modification is denied, the tenant has the right to request an appeal by way of a hearing with the Director of Operations or the Executive Director of Remnant Management by requesting in writing to:

Remnant Management, Inc.
Attention: Appeal Committee
2850 Village Drive Suite 201
Fayetteville, NC 28304

Hearings are conducted by a Personnel not involved in making the decision on the Reasonable Accommodation/Modification. An applicant/tenant may be present, bring witnesses and/or legal counsel or other representatives to the hearing if stated within the written appeal. The application file can be reviewed, upon request, at a mutually convenient time before or during the hearing.

The Fair Housing Act prohibits discrimination in the sale, rental, or financing of housing on the basis of race, color, religion, sex, disability, familial status, or national origin.

Federal law also prohibits discrimination on the basis of age. Section 8 applicants may file any complaints of discrimination to the U.S. Department of Housing and Urban Development, Assistant Secretary for Fair Housing and Equal Opportunity, Washington, D.C. 20410.

For reasonable accommodations the applicant must have a verifiable disability (mental or physical impairment that substantially limits one or more major life activities) as defined by HUD as applicable to the property's program type.

Also, the disability must have a direct correlation to the accommodation being requested by the applicant. And the applicant must request a reasonable accommodation and provide verification of his/her disability and his/her need for the accommodation. Note, for the accommodation to be considered reasonable it cannot result in a financial or administrative burden to the property.

In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations, the applicant is not eligible, and the applicant will be rejected. Examples of such situations include cases where the applicant's behavior or performance in past housing caused a direct threat to the health or safety of persons or property; past history or other information that shows the applicant's inability to comply with the terms of the property's lease; or an objective determination that the applicant would require services from Management that represent an alteration in the fundamental nature of the property's program.

If an applicant or tenant makes a request, Management will provide a reasonable accommodation if the applicant or tenant has a verifiable disability that is directly related to the request and providing the reasonable accommodation will not result in a financial or administrative burden to Management or to the owner.

Reasonable accommodations may include changes in the method of administering policies, procedures, or services.

In providing reasonable accommodations for, or performing structural modifications for otherwise qualified individuals with disabilities, the property is not required to:

- Make structural alterations that require the removal or altering of a load-bearing structure
- Provide support services that are not already part of its housing programs
- Take any action that would result in a fundamental alteration in the nature of the

program or service

- Take any action that would result in an undue financial and administrative burden on the property, including structural as defined in the Uniform Federal Accessibility Standards (UFAS).

If a reasonable accommodation request is submitted, the unit must be held until the request determination is finalized and communicated in writing to the applicant. In the event of a denial of a request for reasonable accommodation, the applicant must be afforded 3 business days to challenge the decision before the unit can be rented to another qualified applicant.

If the site is unable to make a reasonable accommodation due to a resulting financial burden, the applicant or tenant may, at his/her own expense, make the accommodation after written approval by Management. Management may require that the tenant remove the accommodation (or have it removed) upon vacating the unit.

Live-In Aides are considered to be a reasonable accommodation. Property Management must obtain verification that the Live-In Aide is needed to provide necessary supportive services essential to the care and well-being of the individual, and that there is a disability-related need for the Live-In Aide. This verification will be obtained from the individual's physician, medical practitioner or health care provider.

The Live-In Aide cannot remain in the unit as a remaining household member, once the tenant who needs the services leaves the unit or becomes deceased. Live-In Aides who violate any of the property's House Rules will be subject to eviction. Live-In Aides must meet the same screening criteria as other applicants, with the exception of credit checks and income verifications.

5. Mandatory Policies

a. Management is not permitted to accept any cash connected with the application procedure, criminal or credit checks and/or apartment designation.

b. A copy of this Tenant Selection Plan will be provided, at no charge, to any applicant, tenant, or member of the general public at his/her request. In the event of changes to this Tenant Selection Plan, all tenants and applicants will be notified that the Plan has changed, and that a copy of the revised Plan will be provided upon request. Tenants will receive a 30-day notice prior to the implementation of new House Rules.

c. Remaining Household Members- In order to stay in the unit as a remaining household member if the Head of Household leaves the unit, a person must already be on the initial lease when the Head of Household leaves and must be of legal contract age under state law.

d. Apartment Inspections- All apartments must undergo a move-in inspection by the property manager and the tenant the day of or prior to the day of move-in. A move-in inspection form will be completed and signed and dated by the tenant and property manager confirming that the unit is in decent, safe, and sanitary condition. After move-in, inspections will be completed every quarter or at least annually by the property manager/maintenance. Inspections may also be conducted by USDA Rural Development or other agencies.

e. Annual Recertification's- Rural Development regulations require an annual recertification of income, assets and expenses for rent determination. This policy will be explained prior to the Move-In. Tenants are required to recertify their income if it changes by more than $100 per month and can request a recertification if their income changes by more than $50 per month.

Tenants are required to notify Management when there is any change in household composition. The same screening criteria are used for all new household members as are required for new households (with the exception of credit checks for Live-In Aides).

This property may require a criminal background check for every tenant at every annual recertification. If such criminal checks reveal lease violations, the household may be evicted.

f. Privacy Policy- It is the policy of the property to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the property. Therefore, neither the property nor its agents shall disclose any personal information contained in its records to any person or agency unless required by law, or unless the individual about whom information is requested shall give written consent to such disclosure.

This privacy policy in no way limits the property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained regarding handicap or disability will be treated in a confidential manner.

g. Priorities for Accessible or Adaptable Apartments- For apartments accessible to, or adaptable for, persons with mobility, visual, or hearing impairments, households containing at least one person with such impairment will have first priority (as applicable for a particular apartment feature).

Current tenants who require accessible/adaptable apartments shall be given priority over applicants requiring the same type of apartment. If a tenant is transferred as a reasonable accommodation to a household member's verified disability, the owner will pay the costs (not to include transfer of utilities) associated with the transfer, unless doing so would be an undue financial/administrative burden.

When there are no tenants or applicants who need the features of existing accessible units, persons without disabilities may move into those apartments. However, they must agree to move to an available apartment of the appropriate bedroom size with no such design features, if an applicant or current tenant requires that accessible unit. Units designed for the mobility-impaired are set aside for individuals who are mobility impaired.

h. Prior to Move-In

- Management will explain the property policies regarding the following:
  - Security deposits
  - Annual recertifications
  - Unit Inspections
  - Community policies
- All adult household members (age 18 and older and any adjudicated minors who are the Head, Spouse or Co-Head) will sign the Lease, Community Policies or House Rules, and related documents and addenda.
- Social Security number documentation must be provided for every non-exempt household member, including live-in aides, foster children and foster adults.
- The applicant and Management will inspect the apartment and sign the Move-In Inspection form either prior to Move-In or on Move-In day.
- The applicant will pay the Security Deposit.
- The applicant will pay the rent for the first month, or prorated rent, as set forth in the Lease.
- The applicant will be given a copy of the Move-In Certification, Lease, Move-In Inspection form, Community Policies/House Rules, and a receipt for the Security Deposit and first month's rent.

i. Attempted Fraud- Any information provided by the applicant that verification proves to be untrue may be used to disqualify the applicant for admission on the basis of attempted fraud. The property considers false information about the following to be grounds for rejecting an applicant:

- Income, assets and/or expenses
- Household composition
- Social Security Numbers

- Preferences and priorities
- Eligibility for allowances
- Previous residence history or criminal history
- Citizenship, naturalization, and/or eligible immigration status

If, during the course of processing an application, it becomes evident that an applicant has falsified or otherwise willfully misrepresented any facts about his/her current situation, criminal history, or behavior in a manner that would affect eligibility, prioritize application selection criteria qualification, allowances or rent, the application shall be rejected. During the course of processing an application, there may be errors in name spellings, dates of birth and other such data, resulting in inaccurate criminal, credit, or other screening. In these cases, screening may be re-done. If these checks result in documentation of circumstances that would have caused an applicant to be rejected, the application will be rejected. If the applicant has already moved in, this evidence may be the cause of eviction proceedings. Unintentional errors will not be used as a basis to reject applicants.

j. Adding household members after move-in for a new member, regardless of age, who has a social security number, such documentation must be provided no later than the processing of the certification that adds the new person to the household. If the new member is a child under six years of age without a social security number, the household has 90 days to provide social security number documentation. An additional 90 days will be granted only if failure to provide documentation is due to circumstances beyond the tenant's control. If acceptable documentation is not provided by the deadline date, eviction proceedings will begin, to terminate tenancy of the household, since the household will be in non-compliance with its lease.

6. <u>Verification Requirements</u>

The property will obtain verifications in compliance with requirements set forth by Rural Development. No decision to accept or reject an application will be made until all verifications required, per the application form, have been collected, and any necessary follow-up interviews have been performed.

All information relative to the following items must be verified:

- Eligibility for Admission, such as
  - Income, assets, and asset income

- Household composition
- Social Security number documentation for all non-exempt household members
- Citizenship eligibility
- Verification of student status and eligibility

- Compliance with tenant selection guidelines, such as
  - Proof of ability to pay rent
  - Previously demonstrated adherence to lease for previous rentals
  - Positive prior landlord reference: rent-paying, caring for a home with safe, clean, satisfactory housekeeping habits, based on documented prior landlord references.
  - No disqualifying history of drug-related, sex offender or violent criminal activity of any household member, verified through police and/or criminal background checks
  - Ability to live independently, in order to ensure the safety of all tenants
  - Absence of objectively verified behavior that would give Management reasonable cause to believe that the applicant's abuse of drugs/alcohol would interfere with the health, safety and right to peaceful enjoyment of the property by other tenants or staff.

All the above must be documented and appropriate verification forms/letters placed in the household's file.

- Period for Verification
  - Only verified information that is within 90 days of the move-in date may be used for verification or Recertification. Verified information not subject to change (such as a person's date of birth) need not be re-verified.
- Forms of Verification: Documentation required as part of the verification process may include:
  - Checklists completed as part of the interview process, signed by the applicant
  - Verification forms completed and signed by third parties
  - Reports of interviews
  - Documentation provided by the applicant, i.e., award letters, pay stubs, bank statements
  - Notes of telephone conversations with reliable sources, faxes, and e-mail or internet correspondence. At a minimum, each file notation will indicate the date and time of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received.

Management staff will be the final judge of the credibility of any verification submitted by an applicant. If staff considers documentation to be doubtful, it will be reviewed by a Regional Compliance Director that will make a ruling about its acceptability. Management staff will continue to pursue credible documentation until it is obtained or the applicant is rejected for failing to produce it.

- Sources of information to be checked may include, but are not limited to:
  - The applicant, by means of an interview.
  - Present and former housing providers.
  - Present and former employers.
  - Credit checks and Management record services.
  - Social workers, parole officers, court records, drug treatment centers, physician, clergy, INS.
  - Law enforcement.

- Preferred Forms of Verification: Verifications will be attempted in the following order:
    - Third-party written from the source.
    - Third-party oral with a record kept in the files.
    - Copies of documents provided by the household (i.e. Social Security printouts, pay stubs, bank statements, pharmacy printouts, payment book stubs for medical insurance premiums, etc.)
    - When the above cannot be obtained, notarized affidavits from the household as allowed by Rural Development.

Each file will be documented to show that property staff attempted to obtain independent written documentation before relying on a less acceptable form of verification.

- Applicant history will be checked using the following methods:
    - Past performance meeting financial obligations, especially rent:
    - Credit checks will be processed through a national screening service. Criteria for admission are described in Section 5, Applicant Screening: Credit checks.
    - Contacting the current landlord and at least one prior landlord to gather previous rental history information.
    - Otherwise eligible households who apply for housing with outstanding balances owed to their current property, or to this property as a past tenant are ineligible. After the applicant presents proof of payment of any such balances, s/he may re- apply and, if otherwise eligible, will be added to the waiting list based on the re- application date.
- Disturbance of neighbors, destruction of property, living or housekeeping habits that would pose a threat to other tenants:
    - Staff will check for these potential problems with the current landlord and at least one former landlord.
    - If the applicant is not currently living under a lease, the housing provider will be asked to verify the applicant's ability to comply with property lease terms as it relates to these guidelines. Any unit for which the applicant has upkeep responsibility may be physically checked.
    - An applicant's behavior toward the property manager and other staff will be considered as indicative of future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward property staff will be noted in the file and could be considered "good cause" reasons for applicant rejection and/or tenancy termination.
- Involvement in criminal activity on the part of any applicant household member

which would adversely affect the health, safety, or welfare of other tenants.

- Criminal history checks of convictions and outstanding warrants with registries, local, state and federal authorities may be done.
- Applicants who are registered on lifetime sex offender registries in any state, in which household members have ever lived, must be rejected.

- A record of eviction from housing or termination from tenancy programs will be considered:
  - Property Management may check property records, Management records, and other records to determine whether the applicants have been evicted from this property, any other assisted housing or any other property in the past. Records of evictions from tenancy programs will be checked with service agencies and with any housing providers referred by the applicant.