

THE POLICIES AND PROCEDURES OF TENANT DATA SERVICES, INC.

PLEASE READ CAREFULLY

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ALL USERS OF TENANT DATA MUST READ THIS CAREFULLY AND RETURN A SIGNED COPY TO TENANT DATA

WE ARE OBLIGATED TO CALL TO YOUR ATTENTION CERTAIN MEMBERSHIP REQUIREMENTS WHICH ARE NECESSARY FOR LEGAL COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS. ALSO, THERE ARE SEVERAL IMPORTANT SECURITY PROCEDURES YOU MUST FOLLOW FOR YOUR OWN PROTECTION.

For you and your company's protection, all users of Tenant Data must have a signed copy of our Service Agreement and Policies and Procedures on file at Tenant Data.

You are responsible to know and comply with all federal, state, and local laws, including, but not limited to, the Fair Credit Reporting Act ("FCRA"). Accompanying this Policies and Procedures document is a copy of *Notice To Furnishers of Information: Obligations of Furnishers under the FCRA* and *Notice to Users of Consumer Reports: Obligations of Users Under the FCRA*. These are summaries that are being provided to you for your information and reference only. You are responsible for making an independent determination of your compliance with the FCRA and any amendments thereto. Please be advised that these documents come from the Federal Trade Commission and in no way constitute legal advice from Tenant Data.

BE AWARE that as an authorized user of Tenant Data you must respect the privacy of your applicants with regard to the handling of the confidential information provided by Tenant Data. Certain safeguards are necessary to maintain this important confidence and comply with the laws regulating the use of consumer reports. These safeguards are discussed further below.

REPORTING POLICIES

INITIAL RESIDENT REPORTING: All subscribers of Tenant Data must return completed *Resident Reporting Forms* to Tenant Data by mail, FAX, or Internet on all current residents. This information must include: complete name; social security number; date of birth; driver's license number; current address; apartment number; city; state; zip code; move in date; lease expiration date; rent amount, and security deposit amount. This should be completed no later than 2 months after a Service Agreement has been executed.

NEW RESIDENT REPORTING: Upon the signing of a lease, Tenant Data's subscribers must report the new resident's name, social security number, driver's license number, date of birth, address, move-in date, amount of rent & deposit, and lease expiration date.

CURRENT RESIDENT REPORTING: Resident records should be updated for the following reasons during their residency: when you are presented with an NSF check; late rent payments; upon receipt of a 30-day notice; noise complaints; when you present the resident with an eviction notice; upon a skip discovery; or any other lease violations.

FORMER RESIDENT REPORTING: Upon resident vacating your property, you must complete the RESIDENT REPORTING FORM by adding move-out date and residential performance. This may be completed via our website, or by completing a Resident Reporting Form and faxing or mailing it to our current address.

NEGLIGENCE IN REPORTING RESIDENTS: As a service to our subscribers, Tenant Data strives to maintain the area's largest and most comprehensive resident performance database. Understanding and acknowledging that Tenant Data relies upon the accuracy of the information that you provide, you have a duty to report accurate and complete information to Tenant Data. If at any time you determine that any information previously provided to Tenant Data is incomplete or inaccurate, you must provide revised complete and accurate information to Tenant Data immediately. If you report information to Tenant Data regarding a delinquent account that has been turned over to collection, you must, within 90 days, provide Tenant Data with the month and year that the delinquency commenced.

CONFIDENTIALITY POLICIES

All information on the TENANT REPORT, CREDIT BUREAU REPORTS, SSN or EVICTION REPORT, CRIMINAL HISTORY and/or any other service utilized by Tenant Data is deemed **STRICTLY CONFIDENTIAL**.

Only approved personnel that have read and signed a Policies and Procedures form and have a permissible purpose may view and/or use the reports provided by Tenant Data.

APPLICATION DECLINE or ADVERSE ACTION POLICIES

If you make any adverse decisions (*i.e.* decline rental, increase deposit, require co-signer, etc.) based in whole or in part due to any information received through TENANT DATA, the applicant must receive an adverse action letter by mail or in person. Recommended letters or wording are available through Tenant Data. If an applicant disputes the accuracy of resident history information provided by Tenant Data, the applicant should be directed to Tenant Data and may receive a complimentary report. If an adverse action is taken against an applicant due to credit information found on a credit report, eviction report or criminal history found on a report provided by an entity other than Tenant Data, you should direct the applicant to the source agency to address any dispute and/or to obtain a complimentary copy of his or her report. Tenant Data is simply a reseller of this information and cannot provide the same level of assistance as the source of information. You must include a summary of the consumer's rights under the FCRA with all notices of an adverse decision. This summary is available through Tenant Data for your convenience. The decision to make an adverse decision is yours alone. Tenant Data is not responsible for making any adverse decisions or notifying any applicant of the adverse decision. Tenant Data is also not responsible for your compliance with the FCRA regarding notification of any adverse decisions. Any information contained in this section regarding compliance with the FCRA is for your convenience only, and you are solely responsible for compliance with the FCRA.

(Continued)

REQUESTING APPLICANT INFORMATION

You **MUST** have a signed **AUTHORIZATION FOR FILE DISCLOSURE** from **EVERY** applicant before you request applicant information. The authorization may be incorporated in your rental application or on a separate sheet available through Tenant Data for your convenience. You should only accept legible applications and check identification for all applicants. You may request reports only on signed applications for tenancy on property you own or manage. Anyone found requesting reports for applicants on property owned or managed by others may have their service terminated. You must maintain copies of all written authorizations for a minimum of five years.

Phone service: When utilizing phone service by Tenant Data, you must call during regular business hours, provide us with your name, phone number and PIN/Account number. Reports will be processed and a Tenant Data Representative will call you back. A complete copy of the information requested will be mailed via United States Postal Service.

Fax service: When utilizing fax service, you will be provided a Fax Report Request Form by Tenant Data. This form must be complete, legible and may be faxed to Tenant Data 24 hours a day. Requested reports will be returned via fax during regular business hours.

Internet service: When utilizing Internet services, you may access most services provided by Tenant Data 24 hours a day, 7 days a week. These reports can be printed directly on your printer.

Regardless of which method is utilized, all subscribers **must** have a signed **AUTHORIZATION FOR FILE DISCLOSURE** from each rental applicant **before** requesting reports. Failure to do so may constitute a violation of federal law and result in permanent disruption of tenant reporting and credit reporting services.

CHARGES

Charges will accrue monthly and you will be provided with a monthly invoice. Payment is due on the 15th day of the month in which the invoice was issued. Outstanding invoices are subject to a \$10.00 late fee plus 1.5% interest on any unpaid balance. Outstanding invoices may cause service disruption and may require pre-payment or a deposit plus a \$25.00 re-activation fee. Please see the Service Agreement for more specific details. You must notify Tenant Data within 30 days of a change in your location or mailing address.

A charge will appear on your invoice **each time** you request information from Tenant Data. Each applicant requested will carry a separate charge. Multiple requests for the same applicant will be charged as separate requests. If you experience difficulties receiving a report the first time, you **must** contact Tenant Data **prior** to a second attempt to avoid duplicate charges.

AUTHORIZED USERS

Anyone utilizing Tenant Data's services or information must be an "Authorized User" and their signed Policies and Procedures form must be on file at Tenant Data's office. Authorized users must have read and signed this document, have a copy, and have read the Fair Credit Reporting Act (15 U.S.C. § 1681 *et. seq.*). To add or remove authorized users to your account, please inform Tenant Data by email, fax or mail. All authorized users must certify to Tenant Data that they are obtaining the information on an applicant for a legitimate business need, in connection with a business transaction that was initiated by the applicant and for which the applicant has given Subscriber/Authorized User and Tenant Data written permission to request and release such information. Authorized users must further certify that the information received from Tenant Data will be for the purpose stated herein and for no other purpose.

SECURITY

If for any reason you believe an unauthorized person is making transactions on your account, notify Tenant Data immediately.

FAIR CREDIT REPORTING ACT

Tenant Data is dedicated to provide the most accurate and complete information available. Tenant Data requires that all "Authorized Users" must have a copy of the Fair Credit Reporting Act (15 U.S.C. §1681 *et sec.*). Copies are available through Tenant Data and/or the Federal Trade Commission's website at www.ftc.gov.

Section 1681q of the Fair Credit Reporting Act provides that "**Any person who knowingly and willfully obtains information on a consumer tenant from a consumer (tenant) reporting agency under false pretenses shall be fined under title 18, United States Code, imprisoned for not more than two years, or both.**" Tenant Data will terminate your Service Agreement immediately if it reasonably believes that you are not properly maintaining and reporting resident information, intentionally disregarding Tenant Data's policies and procedures, or violating any local, state, or federal law pertaining to fair credit reporting practices or any laws governing the leasing of property, including discrimination laws. Under **NO** circumstances should a subscriber's Internet access information, PIN number, or accessing procedures be disclosed to individuals calling and/or claiming to be a representative of Tenant Data or any other firm. If you are unsure if you are talking to a Tenant Data representative, call Tenant Data toll free at (800) 228-1837 and ask to speak to a representative.

I hereby certify that I will obtain the information from Tenant Data for a legitimate business need, in connection with a business transaction that was initiated by the consumer and for which the consumer has given me and Tenant Data Services, Inc. written permission to request such information. I hereby certify that the information I will receive from Tenant Data will be for the purpose stated herein and for no other purpose and I will not resell or otherwise provide the reports in whole or in part to any third party.

I further certify that such information is not being requested for employment purposes. I have read, understand and agree to comply with all of the above policies and procedures and to have and read a copy of the Fair Credit Reporting Act and understand my responsibility under the FCRA as well. I have retained a copy of this form and have returned the original signed document or reasonable facsimile to Tenant Data Services, Inc. • P O Box 5404 • Lincoln, NE 68505.

Printed Name: _____

Company/Property: _____

Signature: _____

Date: _____

Each authorized user must sign a Policies and Procedures form. Copies can be made as needed.

Desired User Name: _____

Desired Password: _____

Must be at least 8 characters and include 1 alpha and 1 numeric

Email Address: _____

NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

The federal Fair Credit Reporting Act (FCRA) requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. This first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. The FCRA, 15 U.S.C. §§ 1681-1681x, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 of the FCRA contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. *Section 604(a)(1)*
- As instructed by the consumer in writing. *Section 604(a)(2)*
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. *Section 604(a)(3)(A)*
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. *Sections 604(a)(3)(B) and 604(b)*
- For the underwriting of insurance as a result of an application from a consumer. *Section 604(a)(3)(C)*
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. *Section 604(a)(3)(F)(i)*
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. *Section 604(a)(3)(F)(ii)*
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. *Section 604(a)(3)(D)*
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or repayment risks associated with an existing credit obligation. *Section 604(a)(3)(E)*
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. *Sections 604(a)(4) and 604(a)(5)*

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making unsolicited offers of credit or insurance. The particular obligations of users of this "prescreened" information are described in Section V below.

B. Users Must Provide Certifications

Section 604(f) of the FCRA prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA (by a general or specific certification, as appropriate) the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term "adverse action" is defined very broadly by Section 603 of the FCRA. "Adverse actions" include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact -- such as unfavorably changing credit or contract terms or conditions, denying or canceling credit or insurance, offering credit on less favorable terms than requested, or denying employment or promotion.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action that is based at least in part on information contained in a consumer report, the user is required by Section 615(a) of the FCRA to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free disclosure of the consumer's file from the CRA if the consumer requests the report within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) of the FCRA requires that the user clearly and accurately disclose to the consumer his or her right to obtain disclosure of the nature of the information that was relied upon by making a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notification must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. (Information that is obtained directly from an affiliated entity relating solely to its transactions or experiences with the consumer, and information from a consumer report obtained from an affiliate are not covered by Section 615(b)(2).)

II. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain prior written authorization from the consumer.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, provide a copy of the report to the consumer as well as the summary of the consumer's rights. (The user should receive this summary from the CRA, because Section 604(b)(1)(B) of the FCRA requires CRAs to provide a copy of the summary with each consumer report obtained for employment purposes.)

III. OBLIGATIONS OF USERS OF INVESTIGATIVE CONSUMER REPORTS

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 of the FCRA requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and must include the summary of consumer rights required by Section 609 of the FCRA. (The user should be able to obtain a copy of the notice of consumer rights from the CRA that provided the consumer report.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation that was requested. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

IV. OBLIGATIONS OF USERS OF CONSUMER REPORTS CONTAINING MEDICAL INFORMATION

Section 604(g) of the FCRA prohibits consumer reporting agencies from providing consumer reports that contain medical information for employment purposes, or in connection with credit or insurance transactions, without the specific prior consent of the consumer who is the subject of the report. In the case of medical information being sought for employment purposes, the consumer must explicitly consent to the release of the medical information in addition to authorizing the obtaining of a consumer report generally.

V. OBLIGATIONS OF USERS OF "PRESCREENED" LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. *Sections 603(l), 604(c), 604(e), and 615(d)* This practice is known as "prescreening" and typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in the consumer's CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. This statement must include the address and toll-free telephone number of the appropriate notification system.

VI. OBLIGATIONS OF RESELLERS

Section 607(e) of the FCRA requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain: (1) the identity of all end-users; (2) certifications from all users of each purpose for which reports will be used; and (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

VII. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state or federal enforcement actions, as well as private lawsuits. *Sections 616, 617, and 621* In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. *Section 619.*

NOTICES TO FURNISHERS OF INFORMATION: OBLIGATIONS OF FURNISHERS UNDER THE FCRA

The federal Fair Credit Reporting Act ("FCRA"), as amended, imposes responsibilities on all persons who furnish information to consumer reporting agencies ("CRAs"). These responsibilities are found in Section 623 of the FCRA. State law may impose additional requirements. All furnishers of information to CRAs should become familiar with the law and may want to consult with their counsel to ensure that they are in compliance. The FCRA, 15 U.S.C. §§ 1681-1681u, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>). Section 623 imposes the following duties:

General Prohibition on Reporting Inaccurate Information:

The FCRA prohibits information furnishers from providing information to a consumer reporting agency ("CRA") that they know (or consciously avoid knowing) is inaccurate. However, the furnisher is not subject to this general prohibition if it clearly and conspicuously specifies an address to which consumers may write to notify the furnisher that certain information is inaccurate. *Sections 623(a)(1)(A) and (a)(1)(C)*

Duty to Correct and Update Information:

If at any time a person who regularly and in the ordinary course of business furnishes information to one or more CRAs determines that the information provided is not complete or accurate, the furnisher must provide complete and accurate information to the CRA. In addition, the furnisher must notify all CRAs that received the information of any corrections, and must thereafter report only the complete and accurate information. *Section 623(a)(2)*

Duties After Notice of Dispute from Consumer:

If a consumer notifies a furnisher, at an address specified by the furnisher for such notices, that specific information is inaccurate, and the information is in fact inaccurate, the furnisher must thereafter report the correct information to CRAs. *Section 623(a)(1)(B)*

If a consumer notifies a furnisher that the consumer disputes the completeness or accuracy of any information reported by the furnisher, the furnisher may not subsequently report that information to a CRA without providing notice of the dispute. *Section 623(a)(3)*

Duties After Notice of Dispute from Consumer Reporting Agency:

If a CRA notifies a furnisher that a consumer disputes the completeness or accuracy of information provided by the furnisher, the furnisher has a duty to follow certain procedures. The furnisher must:

- Conduct an investigation and review all relevant information provided by the CRA, including information given to the CRA by the consumer. *Sections 623(b)(1)(A) and (b)(1)(B)*
- Report the results to the CRA, and, if the investigation establishes that the information was, in fact, incomplete or inaccurate, report the results to all CRAs to which the furnisher provided the information that compile and maintain files on a nationwide basis. *Sections 623(b)(1)(C) and (b)(1)(D)*
- Complete the above within 30 days from the date the CRA receives the dispute (or 45 days, if the consumer later provides relevant additional information to the CRA). *Section 623(b)(2)*

Duty to Report Voluntary Closing of Credit Accounts:

If a consumer voluntarily closes a credit account, any person who regularly and in the ordinary course of business furnishes information to one or more CRAs must report this fact when it provides information to CRAs for the time period in which the account was closed. *Section 623(a)(4)*

Duty to Report Dates of Delinquencies:

If a furnisher reports information concerning a delinquent account placed for collection, charged to profit or loss, or subject to any similar action, the furnisher must, within 90 days after reporting the information, provide the CRA with the month and the year of the commencement of the delinquency that immediately preceded the action, so that the agency will know how long to keep the information in the consumer's file. *Section 623(a)(5)*