

Landlord Rent Default Insurance

Qualification Requirements

Prior to buying the insurance, the landlord or its authorized agent needs to verify and confirm that the following requirements to qualify for Landlord Rent Default insurance are met.

Named Insured

- The named insured under the policy is the legal owner of the rental unit (can be an individual or a business entity)
- An agent authorized by the named insured (such as a property manager) can apply for and buy the insurance on behalf of the named insured if written authorization is provided
- › *A copy of the property management agreement must be made available to Steady upon request*

Lease Agreement

- The lease must be for a legal residential unit and the tenant(s) must use the rental unit as their primary residence (no coverage for vacation homes or secondary residences)
- A period of at least 6 months remaining on the lease from the policy's start date (if less than 6 months remains, a one month rent credit will be applied to the claim – see more on rent credit in the [Policy Guide's](#) FAQ section)
- › *A copy of this lease agreement must be made available to Steady upon request*

Tenant's Credit and Income:

- Tenant credit score ≥ 580 (in Texas only: tenant credit score ≥ 540)
- Tenant's monthly income $\geq 2.5 \times$ monthly rent; or Tenant's liquid assets $\geq 80 \times$ monthly rent
- If the tenant does not meet the minimum monthly income or liquid assets requirement or has no credit score, a co-signer/guarantor must be a party to the lease agreement. In this case, the co-signer/guarantor must meet the following criteria:
 - › *Credit score ≥ 700 , and*
 - › *Monthly income $\geq 3.75 \times$ monthly rent; or liquid assets $\geq 80 \times$ monthly rent*
- If multiple tenants are a party to the lease and one or more of the tenants do not meet one of the requirements, then the non-qualifying tenant(s) should be excluded from the evaluation for meeting any of the other qualification requirements
 - › **Example 1:** *if 2 tenants are a party to the lease and one tenant has a 600 credit score (qualifying) while the other has a 500 credit score (non-qualifying), then the lease can still qualify for coverage so long as the tenant with the 600 credit score meets the minimum monthly income or liquid assets requirement, as well as all the other requirements.*
 - › **Example 2:** *if 2 tenants are a party to the lease and neither has a credit score, the lease can still qualify for coverage if one of the tenants has a co-signer that meets the credit score and minimum monthly income or liquid assets requirement.*

- A copy of the tenant's (or the co-signer/guarantor's when applicable) income or liquid assets verification documents must be made available to Steady upon request. Such documents must include at a minimum one of the following:
 - › 2 most recent pay stubs;
 - › most recent tax return;
 - › employment letter; or
 - › 2 most recent bank or brokerage statements; or
 - › Verification of "tenant's income" by a third-party vendor that independently validates the "tenant's" income level or assets through a method of analysis and that has been approved in writing by us.
(make sure to have permission from the tenant and/or the co-signer/guarantor to release this information)

› Tenant's Background Check:

- Tenant has not ended a lease owing money to a landlord in the last 3 years
- Tenant has not been evicted or been the subject of an eviction proceeding in the last 3 years
- There are no liens, judgments or suits over \$1,000 against the tenant
- There have been no bankruptcy, foreclosure or judgments in the last 3 years against the tenant
- There are currently no existing conditions of which the landlord or property manager are aware of that are likely to result in the tenant's default within 60 days from the policy start date
- Tenant's rent payments must have not been in arrears and tenant's banking institution must have not issued any "non-sufficient funds" notification for the period of tenancy preceding the policy's effective date (up to a maximum of 12 months prior to the effective date)
- If the lease has been in effect for less than 12 months, a third-party tenant screening report must have been purchased within the past 12 months
 - › A copy of this report must be made available to Steady upon request (make sure to have permission from the tenant to release the report)

› Supporting Documents ‹

We will not ask you to provide any supporting documents at the time of purchasing the insurance, however make sure to save a copy in your file as you will be required to provide them in the event of filing a claim. For more information on the required supporting documents, please refer to the [Policy Guide's](#) claims section.