



THE MULTIFAITH HOUSING INITIATIVE

ARREARS POLICY

Passed by the Board of Directors on: 27 June, 2014

Article 1: Purpose of this Policy

This policy sets out the MHI's rules about

- how tenants pay their rent, and
- how MHI collects arrears.

Article 2: Priority of this policy

This policy takes the place of or amends all previous policies or decisions that deal with rent payments and arrears collection. MHI is not required to follow the procedures stated in this policy before taking proceedings under the Occupancy Policy, such as issuing a Notice to Appear, going to court for eviction proceedings or suing for arrears.

Article 3: Rent payments

- 3.1 Rent includes all amounts that MHI charges to tenants and services that are included.
- 3.2 Rent is due each month on the first day of the month. If the first day of the month is a Saturday, Sunday or statutory holiday, rent is due on the first working day of the month.
- 3.3 Tenants can pay by
 - cheque
 - automatic withdrawal (Electronic Funds Transfer)
 - money order
 - OW or ODSP direct deposit

Tenants who pay by cheque are encouraged to submit post-dated cheques.

MHI is not set up to handle cash payments. In special cases, a tenant may have to pay by cash. In that case, the tenant must deliver the cash in person to MHI office and will be given a duplicated receipt for the payment. Tenants must never leave cash in MHI's mail box.

- 3.4 Except in the case of automatic withdrawal, payments must reach MHI's office by the first day of the month. Payments may be:
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- deposited in the MHI's office mail box (except cash), or
- delivered to the Tenant Administration Manager in person
- mailed to MHI's office

Article 4: Late payments and late charges

- 4.1 Payments not received on the first day of the month will be considered late.
 - 4.2 The Tenant Administration Manager may send a late payment letter to tenants who did not pay their rent by the first day of the month or enter into an arrears payment agreement with MHI.
 - 4.3 The Tenant Administration Manager will send a Notice to End Tenancy Early (N4, N5, N6) to each tenant who has not paid their rent on time or in full or has not entered into an arrears repayment agreement with MHI on or before the 7th business day of the month.
 - 4.4 Tenants who do not pay their rent on the first day of the month and have not arranged an arrears payment agreement that is acceptable to MHI will be charged \$25.00.
 - 4.5 Tenants who do not pay their late payment charges will be considered in arrears.
 - 4.6 If for legitimate reasons of financial hardship, a tenant cannot pay their rent by the first day of the month, the tenant must let MHI know in writing *before* the first day of the month. The Tenant Administration Manager will decide if the reasons are legitimate. In that case, an arrears payment agreement that sets out how the tenant will pay the arrears may be approved as set out in Article 5 of this policy.
 - 4.7 The Tenant Administration Manager may waive late payment fines in situations where the late payment has been proven to be beyond the tenant's control and the member has made a written request for the fine to be waived. Such situations shall include, but not be limited to: hospitalization; sudden loss or substantial reduction in income; financial institution error; move-in after the first business day of the month; inability to complete a housing charge assistance application form before the first business day of the month; death of a family member; or unexpected change in household composition. The Tenant Administration
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Manager will include the number of fines that have been waived and the reasons for the requests in the monthly report.

Article 5: Arrears payment agreements

- 5.1 The Tenant Administration Manager has the authority to approve the first request from a tenant for an arrears payment agreement made within a 12 month period as long as the agreement provides for full payment within a 6 month period.
- 5.2 Approval by the Executive Director is required for any additional requests from a tenant for an arrears payment agreement made within a year and for an arrears payment agreement where full payment will not be made within 6 months.
- 5.3 Generally, MHI will not approve more than one arrears payment agreement for a tenant in a year.
- 5.4 If the tenant does not make the payments set out in their arrears payment agreement, the Tenant Administration Manager will send them a Notice to End Tenancy Early (N4, N5, N6).

Article 6: Returned cheques

- 6.1 If MHI's bank returns a tenant's rent cheque to MHI marked NSF (not sufficient funds), Stop Payment, or Account Closed, the tenant must replace it within two days of being notified by MHI.
 - 6.2 The tenant will be charged \$20.00 for returned cheques. Tenants who do not pay the fee will be considered in arrears.
 - 6.3 If the tenant does not replace the returned cheque within two days of being notified, the Tenant Administration Manager may send them a Notice to End Tenancy Early (N4, N5, N6).
 - 6.4 If a tenant has two cheques returned within a year, they must pay future housing charges by direct deposit, certified cheque, or money order. This will apply for a period of one year from the date of the second returned cheque. MHI will not accept payment in any other form.
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Article 7: Reporting

- 7.1 Each month, the Tenant Administration Manager will prepare an arrears report for review by the Housing Management Committee. The Tenant Administration Manager will also report generally about compliance with this Policy.
- 7.2 The form of the reports will be approved by Housing Management Committee. The current form of the reports is set out in Schedule A.

Article 8: Tenants who move out in arrears

- 8.1 MHI will take all reasonable steps to collect arrears from tenants who have moved out of one of MHI's units.
 - 8.2 These steps may include
 - sending a registered letter with a summary of the amount owing to the former tenant's last known address
 - placing the account with a collection agency
 - informing the municipality's centralized waiting list of the arrears
 - taking legal action through the courts to collect the arrears.
 - 8.3 When a tenant moves out of an MHI unit owing arrears (including any legal costs), until the arrears are paid the tenant
 - is not eligible to be considered for tenancy with MHI
 - may not occupy or reside in another unit in MHI as part of another tenant's household
 - may not stay in any other unit in MHI as a long-term guest.
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Arrears policy

CERTIFIED to be a true copy of the Arrears Policy of the Multifaith Housing Initiative, passed by the Board of Directors at a meeting held on 27 June, 2014.

Secretary

Schedule A

Arrears Report

Date: January 25, 2009

Current tenant arrears

	Code	90 days ago	60 days ago	30 days ago	Jan. 25	Arrears payment agreement	Comments
1	J	\$2,367	\$2,367	\$3,117	\$2,367	yes	Notice to appear/default
2	B	\$1,920	\$1,920	\$1,920	\$1,720	yes	following agreement
3	S	\$500	\$400	\$300	\$300	yes	following agreement
4	N	\$230	\$0	\$95	\$0	no	paid in full
5	V	\$0	\$0	\$0	\$15	no	underpayment
6	P	\$0	\$0	\$705	\$0	no	paid in full
7	O	\$0	\$0	\$0	\$1,022	yes	first payment due February 1
8	X	\$0	\$0	\$0	\$97	no	no response to letter
Subtotal		\$5,017	\$4,687	\$6,137	\$5,521		

Moved out tenants arrears

	Unit	90 days ago	60 days ago	30 days ago	Sept. 5	Arrears payment agreement	Comments
1	202	\$245	\$245	\$245	\$245	yes	first payment due February 1
2	404	\$523	\$423	\$323	\$223	yes	paying \$100 each month
3	309	\$4,297	\$4,297	\$4,297	\$4,297	no	sent to collections
Subtotal		\$5,065	\$4,965	\$4,865	\$4,765		

Total arrears \$10,082 \$9,652 \$11,002 \$10,286

The financial section of the manager's report to the board will include

- the number of late payments made during the reporting period
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- the number of cheques returned to MHI marked NSF during the reporting period
 - the number of cash payments made during the reporting period
 - the number of Notices to Appear issued to tenants during the reporting period who had not paid their rent in full or made arrangements by the fifth day of the month
 - the number of Notices to Appear issued to tenants during the reporting period because they make chronic late payments
 - the number of payment agreements the Tenant Administration Manager approved in accordance with this Policy during the reporting period
 - the number of tenants the Tenant Administration Manager had to advise during the reporting period to make all future payments by certified cheque or money order or EFT because they have had two cheques returned to MHI marked NSF within a year.
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