

Victoria-Shuter Non-Profit Housing Corporation

POLICY NAME	Arrears Policy
POLICY NUMBER	2013-104
DATE	March 2013
DATE REVIEWED OR REVISED	
REFERENCES	<i>Housing Services Act, 2011</i> <i>Residential Tenancies Act, 2006</i> <i>Tenancy Agreement</i>
SEE ALSO	

POLICY STATEMENT

Victoria-Shuter Non-Profit Housing Corporation commits itself to providing affordable housing to its tenants. Victoria-Shuter Non-Profit Housing Corporation acknowledges that in order to maintain this commitment and its responsibilities to all residents, employees, service manager, suppliers and the community at large, revenues must be collected on a timely basis.

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PURPOSE AND SCOPE

PURPOSE:

The Arrears Collection policy is designed to:

- ensure both Victoria-Shuter Non-Profit Housing Corporation and tenants comply with the Residential Tenancies Act, 2006 , Housing Services Act, 2011 and other applicable provincial laws and regulations;
- ensure that the financial position of the Non-Profit is not jeopardized;
- treat all tenants at the Non-Profit equitably and in an equitable and business like manner.

SCOPE:

This policy applies to all tenants of Victoria-Shuter Non-Profit Housing Corporation

RESPONSIBILITIES

1. Arrears collection is the responsibility of the Property Manager or other representative designated by the Board of Directors. If enforcing the policy may create a social issue for the tenant, the Property Manager will report the situation to the Board of Directors.
2. The Board of Directors will not hear appeals from tenants for decisions made by the Property Manager or Landlord Tenant Board or delay eviction orders if the appeal or eviction order relates to non-payment of arrears.
3. All rent and parking payments are due in advance on the first business day of the month in accordance with the residential lease without exception. Additional charges to the tenants such as, but not limited to, cost of changing locks, cost of replacing access cards, cost for opening doors, cost for maintenance repairs are due on the day that the charge is incurred.
4. No tenant shall be lent money by Victoria Shuter as lending money is a specific breach of the Service Manager's agreement. Failure to actively collect rents constitutes an interest free loan to the tenant.

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5. All Tenants are responsible for ensuring that their payment tender is properly identified to their units. A payment received from agents on behalf of the tenant does not commit Victoria Shuter to any legal obligations or responsibility to the tenant's agent.

PROCEDURES

1. Collection of Rent

- I. Accepted forms of rental payment are money orders, certified cheques, bank drafts and personal cheques. Victoria-Shuter Non-Profit Housing Corporation or its agents cannot accept cash payments.
- II. All payment tenders, including post-dated cheques, must be endorsed with the Victoria-Shuter Non-Profit Housing Corporation depository stamp upon receipt.
- III. All replacement of cheques returned from a tenant's banking institution must be made with a certified cheque, money order or bank draft without exceptions.
- IV. When a tenant has 3 returned cheques from his/her financial institution in a 12 month period, no personal cheques will be accepted for a period of one year. If there are any further returned cheques after this period, the tenant will be required to provide all future payment tenders in the form of a certified cheque, money order or bank draft.
- V. Notice of Termination for Non-payment of rent (N4) or other notices as determined by the Residential Tenancies Act and Landlord Tenant Board from time to time, will be issued to all tenants in arrears over \$25 on the 4th business day of the month, except for tenants not in breach of re-payment agreements.
- VI. No personal cheques for rental payment will be received after the 5th business day of the month, including post-dated cheques for a date after the 5th business day. All payments after the 5th business day of the month must be made by certified cheques, money order or bank drafts.
- VII. Tenants who have received four Notices of Termination for Non-Payment of Rent (N4) in any 12 months period will be served with a Notice of Termination for Persistent Non-payment of Rent.
- VIII. The Property Manager or designated representative of Victoria Shuter is responsible for ensuring that notices are filed with the LTB at the first legal opportunity. This individual is also responsible for enforcing the orders from the LTB.
- IX. The Property Manager will write off to Bad Debt any arrears or credits in a tenant account up to a maximum of \$ 10 per month, unless there is an identified pattern of payment from the tenant. If a pattern of under/over payment is identified, the Property Manager must notify the tenant in writing of the discrepancy.
- X. The Property Manager is responsible for providing a rent arrears list to the Board of Directors or person designated by the Board of Directors monthly.

2. Collection of Last Month Rent Deposit

- I. All tenants are required to pay Last Month Rent (LMR) Deposit with a money order, certified cheque or bank draft upon signing the lease for a unit. No re-payment agreements are permitted for the payment of LMR deposit. Interest will be paid on this

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deposit, on an annual basis, in accordance with the Residential Tenancies Act. Usually, this is equal to the percentage of the market rent increase for the year.

- II. All tenants are required to update their LMR deposit when an increase in rental charges takes effect.
- III. Rent-geared-to-income tenants that have a reduction on their rent calculation must be advised of the amount of LMR deposit that they are entitled to apply to their rental amount. They also must be advised that should there be any increase on their rent calculation, they are required to update their LMR deposit immediately.
- IV. All LMR arrears will be listed in an accounting ledger separate from the rental arrears ledger.
- V. The Property Manager is responsible for providing a LMR arrears list to the Board of Directors or person designated by the Board of Directors monthly.

3. Collection of Additional Charges

- I. Cost for unit repairs deemed not to be normal wear and tear and services not provided under the terms of the lease will be charged to the tenants. In addition, cost of repairing or replacing building components damaged by the tenant, guests or family will be charged to the tenant. These repairs and related charges will be initiated through a work order, annual inspection, emergency repair, third party witness or video surveillance of the property.
- II. All additional charges are due on the date of the occurrence or the date Victoria Shuter notifies the tenant.
- III. Non-payment of additional charges will be collected through the LTB or Small Claims Court. Under all circumstances, garnishee orders will be obtained.
- IV. The Property Manager is responsible for providing an arrears report to the Board of Directors monthly and to the Service Manager quarterly (by the 15th of the month following the quarter i.e. (1st quarter April 15, 2nd quarter July 15th, 3rd quarter October 15th, 4th quarter January 15th).

4. Re-payment agreements

- I. Repayment agreements are a privilege to the tenants at Victoria Shuter and as such can only be negotiated once in an 18 month period. It is the responsibility of the tenants at Victoria Shuter to request such agreements.
- II. The Property Manager is authorized to negotiate arrears repayment agreements for amounts equal to no more than one month of the tenant's rent.
- III. Arrears repayment agreements are not to exceed six months including the month in which the re-payment agreement is signed.
- IV. Once a Notice of Termination has been filed with the Landlord Tenant Board, the tenant is required to pay filing fees and legal costs associated with the filing of the notices at the Tribunal.
- V. Should a tenant not comply with terms of the re-payment agreement, it is the responsibility of the Property Manager to serve a Notice of Termination for Non-payment of rent and file the Notices with the Landlord Tenant Board at the first legal opportunity. No further agreements will be available to the tenants.
- VI. If an order of eviction is issued against the tenant from the Landlord Tenant Board, the Property Manager may negotiate a re-payment agreement not to exceed three months. The Property Manager can choose to withhold a repayment agreement at this stage.

5. Procedure for Collection of Bad Debt

- I. No allowance for Bad Debt will be permitted for tenant's rental arrears when the tenant is still in possession of a unit.
- II. Should a tenant move out or be evicted owing any arrears to Victoria Shuter, such arrears will be automatically written off in full to bad debt. This write off of arrears is for

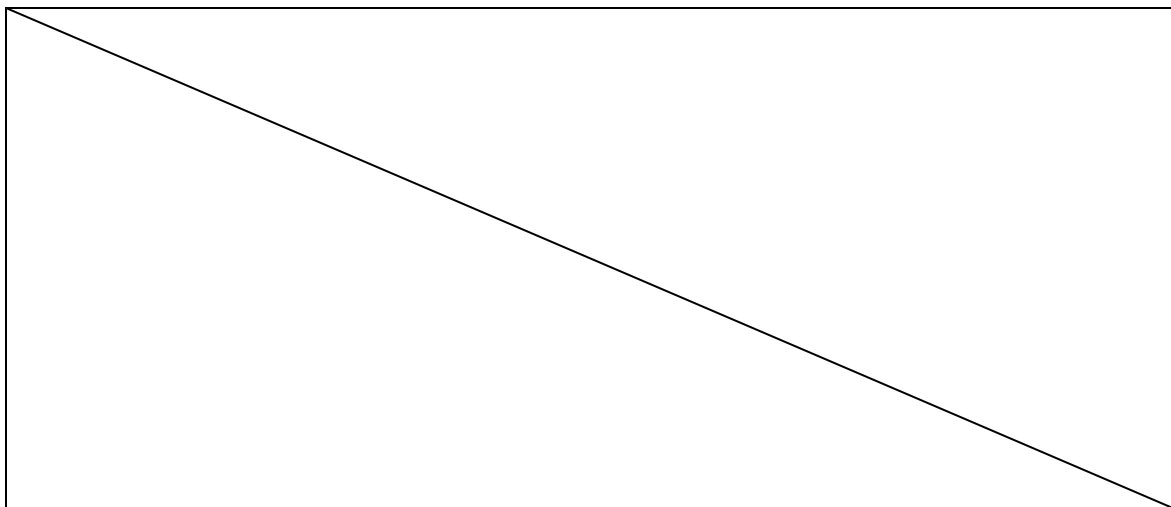
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accounting purposes only and will not release the tenant from his/her legal obligation to pay.

- III. The collection of bad debt will be actively pursued for seven years after termination of a tenancy. Prevention of further arrears is the main consideration for this action.
- IV. All Bad Debt information will be reported to consumer credit agencies. Judgements in Bad Debt over \$2,000 will be filed with the Sheriff Law Enforcement office.
- V. Bad Debt over \$250 will be promptly assigned to a collection agency or collected through Small Claims Court. All supporting documentation including personal information will be released to the agency or court for effective collection of arrears.
- VI. The Property Manager will provide a monthly report to the Board of Directors showing the collection performance of the agency or Small Claims Court.
- VII. Any new information acquired from third parties regarding a past tenant with arrears such as new residency, name changes, or place of employment will be provided to the collection agency to facilitate effective collection of arrears.

DIRECTOR ARREARS

1. No tenant who is in arrears or owes money to the Non-Profit for any reason can be elected or appointed a director of Victoria-Shuter Non-Profit Housing Corporation.
2. All tenant directors must pay their rent or other charges due to Victoria-Shuter in full and on time. If a director falls into arrears, the Property Manager will give the director written notice of this. The director will have twenty-four hours to pay the arrears in full. If the director still owes money after the 24 hour period, they will automatically cease to be a director. If there is any dispute, then the Board will make a decision. The Board's decision will be final.



Policy 2013-104 of Victoria-Shuter Non-Profit Housing Corporation passed by the Board of Directors at a duly constituted meeting held on April 9, 2013

Valeriu-Dan Ciontu, Secretary

Date