Policy Name: Arrears Management

Policy Category: Tenancy Management

Purpose
The Arrears Management Policy outlines how Halton Community Housing Corporation (HCHC) balances its financial responsibility to collect tenant rents with its social responsibility to preserve tenancies whenever possible.

Scope
This policy applies to all residents of HCHC communities including tenants and occupants as appropriate under their lease or occupancy agreement.

Standards and Values
HCHC recognizes that some tenants may occasionally have trouble paying their rent. HCHC staff follow principles of eviction prevention when collecting late payment of rent or other fees to support the vision that tenants should not lose their housing for financial reasons.

Tenants are responsible for:

- Paying their rent on the first day of each month
- Paying any other fees required by their signed lease agreement (utilities, invoices, parking, etc.)
- Participating with HCHC in its efforts to prevent eviction

Definitions
Arrears: A debt that is overdue. In this policy, the debt may be rent or other charges such as utilities, parking fees, tenant chargebacks, etc.

Eviction Prevention: A strategy and intervention designed to keep tenants from losing their home.

Market Rent: Rent that is the maximum charge for a unit as determined by HCHC.

NSF: Non-sufficient funds.

Rent-geared-to-income (RGI): Rent that has been reduced through a subsidy based on guidelines outlined in the *Housing Services Act.*

Reduced Rent Program: Rent offered at reduced rates, based on eligibility criteria such as income level or household need.

Repayment Plan: A plan agreed on by both HCHC and the tenant that outlines the amount the tenant will pay each month toward the arrears owing.

Staff: Employees of Halton Region.

Tenant: A person who has a signed lease with HCHC.

Policy Details
HCHC is committed to working with its tenants to prevent their eviction. Tenants also have an active role to play in maintaining their tenancy. HCHC encourages a collaborative approach and voluntary participation by tenants to resolve arrears.

Rent payment
Rent payments must be received by HCHC on or before the first day of each month. Acceptable forms of payment are:

- Pre-authorized debit (PAD)
- Online bill payment (through select institutions)
- Post-dated cheques
- Money orders made out to HCHC
- Direct payment direct from Ontario Works or Ontario Disability Support Program

HCHC prefers tenants use PAD to ensure rent is paid on time. HCHC charges $20 for NSF payments. This charge is in addition to any charges a financial institution may make.

Non-payment of rent
HCHC staff review tenant accounts at the beginning of each month specifically for non-payment of rent. If there are arrears, staff will take steps to collect the amount owing. These steps may include any or all of the following:

- Sending a reminder letter by mail
- Contacting a tenant by phone or email directly
- Knocking on the door to reach a tenant in person
- Contacting the tenant's emergency contacts or support persons or agencies
- Issuing a form N4—Notice to End a Tenancy Early for Non-payment of Rent

Eviction prevention
At any step in the rent collection process, HCHC staff are available to work with tenants to prevent eviction for financial reasons. Tenants must also be active participants in this process. Eviction prevention strategies include:

- Intervening early when rent is overdue to prevent increasing arrears.
- Offering flexible and fair opportunities for reasonable repayment plans.
- Communicating with tenants frequently and clearly throughout the collection process, using a number of methods (phone, email, letter, in person, etc.).
- Monitoring vulnerable households (as identified by interactions with tenants at lease signing, on-site interactions, direct contact from the tenant or from external support agencies, for example).
- Referring to Regional and community partners for help with financial literacy and other needs.
- Collaborating with the Integrated Housing Worker to help RGI tenants who are at risk of losing their subsidy or who have had their RGI subsidy withdrawn.

Notice to end tenancy

If all early interventions to prevent eviction are unsuccessful, HCHC may file an application for eviction with the Landlord and Tenant Board (LTB): form N4—Notice to End Tenancy Early for Non-Payment of Rent. This is the first step in the eviction process. Tenants can void the form N4 by paying all the arrears on or before the termination date on the form.

Staff will continue to use eviction prevention measures to work with tenants to avoid having to progress to next steps in the eviction process. This includes entering into a voluntary repayment plan.

If tenants are not able to pay the rent owed in time to void the form N4 they have been issued, and they are not making efforts to engage with HCHC's attempts to prevent eviction, HCHC staff will file form L1—Application to Evict a Tenant for Non-Payment of Rent with the LTB. The application fee for a form L1 will also be charged to the tenant's account. Tenants may void a form L1 hearing, or any subsequent LTB order, by paying the amount owing in full any time up to the day of a scheduled hearing or scheduled eviction.

Role of the Landlord and Tenant Board
The LTB resolves disputes between residential landlords and tenants. It also provides information about its practices and procedures and the rights and responsibilities of landlords and tenants under the *Residential Tenancies Act*.

When an L1 is issued, the LTB will issue a Notice of Hearing to the tenant. At the hearing, the Board will also inform tenants of services available, including mediation, a legal aid lawyer, and interpretation services if applicable.

Other arrears
There are arrears other than rent that may be applied to a tenant account. These include, among others:

- Parking charges (any parking fee is collected with rent)
- NSF fees
- Transfer balances from a previous unit with HCHC
- Utility fees (see below)
- Former tenant arrears (see below)
- LTB filing fees
- Other charges (for example, unit repairs such as cigarette smoke damage, replacement of keys, changing locks, after-hours staff attendance for lock-outs)

Staff are responsible for collecting other arrears. All HCHC invoices are due within 30 days of the bill date. Tenants can speak to their Tenant Services Advisor to arrange payment or to negotiate a repayment plan.

Utility arrears: When a lease is signed, HCHC staff will inform tenants that it is their responsibility to place the utility account in their own name, as required by their tenancy agreement. If a tenant does not place the account in their own name, or defaults on payment, HCHC will receive the bill from the utility company. In that case. HCHC will pay the bill directly to the utility company, and will invoice the tenant for the amount.

If the tenant does not respond to HCHC's efforts to collect utility charges, HCHC may apply to the LTB for a collection order using Form L2—Application to End a Tenancy and Evict a Tenant or Collect Money. The application fee will be applied against the tenant account.

Former tenant arrears: HCHC staff will communicate with former tenants if there are arrears owed at the time of moving out, or charges applied to a tenant's account after moving out. Staff will send a notice of the charges to the tenant's last-known address or forwarding address, if provided. HCHC staff may also contact a former tenant at the phone number or email address last on file.

Unless the tenant agrees to a repayment plan, HCHC will forward the overdue tenant account to a collection agency three to six months after the tenant moves out. This information is recorded in the province-wide arrears database, as required by the *Housing Services Act*. HCHC will monitor and update repayment details. Collection activities are governed by the Collection Agencies Act, and its regulations.

Any household that owes arrears to another community housing provider in Ontario for rent, for an overpaid subsidy, or for damages caused by a current member may be ineligible for Rent-Geared-to-Income (RGI) assistance.

Former tenants may contact their Tenant Services Advisor for the property they lived at to arrange repaying arrears, or they may pay the collection agency directly.

For all types of arrears collection, HCHC staff have the flexibility and discretion to choose appropriate strategies for different situations. In all cases, a fair and equitable approach will be used to enable successful tenancies.

Related Policies and Resources	Safe Communities Policy
Related Legislation	*Collection Agencies Act,* R.R.O. 1990, Regulation 74, Amended to O. Reg. 467/01 *Housing Services Act,* 2011

HCHC policies can be found online at halton.ca/hchc