

COLLECTION POLICY

This section provides operating regulations relating to: the collection of rents security deposits and other charges from residents; processing of delinquent accounts; and the write-off of uncollectible accounts.

For the purpose of this policy “vacate” means when the Housing Authority regains possession of the unit.

I. DEPARTMENTAL RESPONSIBILITIES

A. Responsibilities of the Manager and Site Staff

1. Responsibility for collections and policy implementation rests with the Manager, although specific responsibility may be delegated by him/her to other staff members. In particular, the Manager shall maintain control of the problem delinquent accounts and shall not delegate responsibility thereto to any staff member below the level of Assistant Housing Manager.
2. The Manager will seek to improve promptness of rent payments by utilizing Management bulletins, talks to resident groups, individual contact with residents, and other appropriate means.
3. The Manager shall monitor tenant ledgers to ensure that all tenant accounts are current.

B. Responsibilities of the Finance Department

The Finance Department Staff shall be responsible for:

1. Processing Resident payments in the financial system upon receipt of those payments from the bank, site management, or other approved means; and
2. Daily generating the Do-Not-Accept file for those residents in legal status.

C. Responsibilities of Housing Services Administration

Housing Services Administration shall:

COLLECTION POLICY

1. Routinely review reports, as provided by the financial system, and investigate situations where there is indication that collections are not being effectively handled; and
2. Post charges and prepare and coordinate the mailing of statements.

II. RENT, DEPOSITS AND CHARGES

A. Initial Rent

All new residents shall pay a prorated amount of rent, computed from the effective day of the lease to the end of the month.

B. Monthly Rent

Rent shall be paid on or before the first of each month in accordance with the Rental Agreement.

C. Security Deposit

Security Deposits are to be administered in accordance with the Rental Agreement and the Admission and Occupancy Policy (ACOP) Chapter 201:1 of the Manual of Policy and Procedures.

D. Other Deposits

Deposits for satellite dishes and pets are to be administered in accordance with the Television, Satellite Dish, and Radio Antenna Policy (202:3) and the Keeping of Animal Policy (204:1).

E. Charges for Goods and Services

Any good or service provided by the Housing Authority to the Resident shall be billed to the Resident on the monthly statement in accordance with the Rental Agreement and the Policy for Maintenance Services (203:1).

F. Excess Utilities

Residents shall be charged for excess consumption of those utilities paid by

COLLECTION POLICY

the Housing Authority in accordance with the Rental Agreement and the Utility Allowance for Low-Rent Public Housing Policy (201:1C).

G. Other Charges

Other charges such as, but not limited to, late fees and non-sufficient funds charges shall be applied in accordance with the Rental Agreement.

H. Legal Settlement Fee

As part of a negotiation with a Resident to cancel or settlement of a legal action, the Housing Authority may assess a legal fee that the Resident must pay as part of the agreement.

III. RETROACTIVE RENT

Retroactive Rent (“Retro-rent”) is charged to a Resident if it is learned that there was an underreporting of income, over reporting of deductions, or other intentional or unintentional misrepresentations of facts that resulted in a reduced rent. Retro-rent shall be calculated and applied retroactively beginning on the month that the incorrect reduced rent took effect.

- A. Retroactive rent charges will always remain due from the Resident whether the Resident remains in possession of or vacates the unit.
- B. Retroactive rent charges are determined and applied in accordance with the Rental Agreement and ACOP.
- C. Retroactive Rent in excess of \$1000 will be referred to Legal for initiation of legal action to secure a judgement for said amount.

IV. ACCEPTANCE OF AND RECEIPT FOR PAYMENTS

A. Forms of Payment

- 1. No cash payments shall be accepted by site management or by mail, there are NO exceptions.
- 2. At the time of initial leasing - only money orders or cashier checks will

COLLECTION POLICY

be accepted in the Management office.

3. Unless instructed to do so by Site Management (such as in response to a 14-day Notice to Pay or Quit), no regular monthly payments are to be submitted directly to or received by the Management Office.
4. For all other payments, payments may be paid as agreed, or if no agreement made, in accordance with the Rental Agreement.
5. When personal checks are not honored by the bank, the Manager may specify other approved payment methods in accordance with the Rental Agreement.

If payment is accepted for more than the exact amount of rent charges and payment due, the excess amount shall be applied in the order of posting as stated in the ACOP.

B. Receipts

For regular payments submitted by one of the methods offered by Management, the rent statement mailed to the Resident shall reflect payments received and serve as receipt of such payments.

For other payments made at the Management Office, Site staff is to provide the Resident with a receipt for any such payment accepted.

V. REPAYMENT AGREEMENTS

Repayment agreement may be entered into for the following:

- Retro-Rent
- Excess Utility Charges
- Maintenance Charges

Such repayment agreements must be in writing and signed by the Resident.

Repayment agreements for Security Deposits shall be processed in accordance with the ACOP.

- A. Amounts under \$1,000, shall be collected within six (6) months. Initial payment shall be no less than 50% of the total owed.

COLLECTION POLICY

- B. Prior to the expiration of the six-month term, the Manager in consultation with the Assistant Director may extend the repayment agreement for the balance if the amount is not repaid within the six (6) months to a period not to exceed an additional six (6) months.

Failure for a Resident to comply with the terms of a Repayment Agreement shall result in the full amount being due and payable immediately. If not paid in full at that point, the Resident will be referred to Legal for further action.

VI. GRIEVANCE RIGHTS

A Resident may dispute the amount owed to rent and charges in accordance with Chapter 202:12, Resident Grievance Policy.

VII. PROCESSING DELINQUENT ACCOUNTS IN OCCUPANCY

An account will be considered delinquent if not paid on the date due. The Manager shall monitor for delinquent payments and take appropriate action.

A. Resident Delinquent in Rent

A Resident who is delinquent in their rent shall be served a "*Notice to Residents to Pay Rent or Quit*" (FR-2). Such notice may be served after the 1st business day of the month, but in no event any later than the 14th calendar day of the month.

If the rent is not paid within the fourteen days of the *Notice*, the Resident shall be referred to Legal for further action.

A Resident shall be considered as chronically delinquent if they have been delinquent more than three (3) times within a lease term for failure to pay rent. Such Resident will be subject to Legal action including but not limited to termination as determined by the Director of Housing Services or his/her designee.

B. Retroactive Rent

If a Resident is ineligible, refuses to enter into, or fails to comply with a Repayment Agreement, then appropriate Legal actions shall be initiated.

COLLECTION POLICY

C. Non-Rent Related Delinquent Accounts

A Resident who is delinquent in other non-rent related charges shall be served with a *Notice to Perform or Quit* by the second business day of the month; however, a *Notice to Perform or Quit* shall not be issued until any outstanding FR-2 payment is received.

A Resident shall be considered as chronically delinquent if they have been delinquent more than three (3) times within a lease term for failure to pay charges. Such Resident will be subject to Legal action including but not limited to termination as determined by the Director of Housing Services or his/her designee.

D. Reinstatement

Following the expiration of a *Notice of Termination of Tenancy* where the Resident failed to perform as required, the Resident may be reinstated at the discretion of the Housing Authority's Management providing the Resident's account is brought current.

VIII. PROCESSING DELINQUENT ACCOUNTS OF VACATED RESIDENTS

- A. When the Resident vacates, Site Management must review the accuracy of the tenant ledger. For any move-outs requiring a refund to the tenant, the Manager must notify the Finance Department.
- B. Within 21-days from the vacate date, the vacated Resident shall be sent one of the following:
1. If no outstanding balances owed, including damage charges, a complete reimbursement of any monies owed to the Resident (e.g. security deposit, interest, credits, and other deposits).
 2. A statement itemizing the list of any damages to the unit (beyond normal wear and tear) along with the actual charges to repair the damage and any balance (with interest) of the security deposit or payment due; or
 3. A statement: 1) itemizing the damages to the unit beyond normal wear and tear along with 2) a good faith estimate of the charges and 3) a

COLLECTION POLICY

notice that, pending completion of the work, any remaining security deposit shall be reimbursed and/or a final statement of charges due will be forthcoming within 14 days after completion of the work.

C. Payments on Vacated Accounts

1. A Final Statement of Accounts requesting payment for any outstanding amounts due shall be prepared by the Manager and mailed to the tenant's forwarding address or last known HACLA address if no forwarding address is on record.
2. For vacated residents who agree to pay (in full or make payments), such accounts will be processed by the Finance Department. The Finance Department will notify Housing Services and Legal Department when an account has been paid off.

D Charging Off Uncollectible Accounts

Semiannually the Finance Department shall prepare a collection loss report of balances older than ninety (90) days deemed to be uncollectable. This report shall be submitted to the President & CEO for approval and adoption by resolution by the Board of Commissioners.

- E. In accordance with the ACOP, households who vacate owing money to the HACLA will be reported to HUD via HUD's EIV system.