



Arrears Management

Policy Category	1. Tenancy	Policy Number	1.7
Author	Cliff Jones – Chief Executive Officer	Board Approval Date	31 August 2018
Position Responsible	Housing Services Manager	Scheduled Review Date	August 2019

Purpose:

Homes Out West (HOW) funds the majority of its operations, including maintenance of properties, from rent payments collected from tenants. HOW also relies on tenants repaying the cost of water changes or repairs and maintenance costs (non-rent charges) that are their responsibility, as well as former tenancy debts to provide services to tenants and applicants. Tenants are required to pay tenancy charges in accordance with their Residential Tenancy Agreement.

Arrears can be a serious problem as they limit HOW's ability to provide services to its tenants and applicants. This policy outlines HOW's approach to managing these risks.

Rent and non-rent arrears can also be a serious problem for tenants as they may place their tenancy at risk. HOW will work with tenants to try and resolve problems relating to non-payment of monies owing, where possible, before taking action through the [NSW Civil and Administrative Tribunal \(NCAT\)](#).

Policy:

Tenants have a legal obligation to pay rent and other tenancy related charges as they become due. If a tenant does not make payments, their accounts will fall into arrears. This is a breach of the tenancy agreement.

HOW will assist tenants to comply with their responsibilities and not breach their agreement, adopting a proactive and early intervention approach to managing debt by:

- Monitoring tenant accounts daily;
- Contacting tenants immediately if they fall into debt;
- Encouraging tenants to notify HOW of any changes in income or circumstances that may affect their capacity to pay rent or other charges;
- Paying particular attention to the accounts of tenants who are considered at risk of non-payment or who have fallen into arrears in the past;
- Generally taking action through the NSW Civil and Administrative Tribunal (NCAT) if a tenant falls more than 14 days behind in rent;
- Being sensitive to the circumstances of each tenant, while reinforcing payment responsibilities;
- Maintaining confidentiality and privacy at all times;
- Undertaking regular and timely rent reviews (at least twice per year and when a tenant's household income has changed).

HOW will use all appropriate means to recover debt from a current tenant. This includes negotiating payment plans, engaging with tenant advocates, referring tenants to financial counselling or other services, issuing breach letters or a Notice of Termination, applying to NCAT for a Specific Performance Order or applying to NCAT for an order to end the tenancy.

HOW will only seek to end a tenancy for outstanding debt if the tenant has repeatedly failed to keep to payment plans and orders made by NCAT. Eviction proceedings can only take place with the approval of the Chief Executive Officer or Housing Services Manager.

Former tenants of HOW will be required to repay all money owing from any previous tenancy. HOW will transfer balances, using any credit balances to pay outstanding debts, when a tenancy ends. How will notify the tenant in writing of any refund due or debt outstanding where a forwarding address has been provided by the tenant. HOW will claim the Bond for any outstanding debt amount and HOW will also seek a compensation order from NCAT if the end of tenancy debt is above \$1500.

References and related documents:

Service Standards, Contractual requirements and Legislation	<p><u>National Community Housing Standards</u></p> <ul style="list-style-type: none"> • 1.2 Establishing and maintaining tenancies • 1.4 Ending tenancies • 4.1 Tenants' access to support <p><u>National Regulatory System for Community Housing (NRSCH) Performance Outcomes</u></p> <ul style="list-style-type: none"> • Performance Outcome 1: Tenant and housing services • Performance Outcome 6: Management • Performance Outcome 7: Financial viability <p><u>Contractual requirements</u></p> <ul style="list-style-type: none"> • NSW Community Housing Rent Policy <p><u>Legislation</u></p> <ul style="list-style-type: none"> • Residential Tenancies Act 2010 (NSW) • Residential Tenancies Regulation 2010 (NSW) • Housing Act 2001 • Community Housing Providers (Adoption of National Law) Act 2012 (NSW)
Homes Out West Policies	<ul style="list-style-type: none"> • Rental Management • Complaints and Appeals • Managing Rental Bonds
Related documents	<ul style="list-style-type: none"> • Arrears - breach letters • Payment plan agreement • Payment plan schedule • Termination notice • Agreement for allocation of payments • Complaints and Appeals form