



## Arrears Management Procedures

### Related Policy:

These procedures are to be read and applied in conjunction with the Homes Out West (HOW) Arrears Management Policy.

### Procedure and Guidelines:

It is important that the arrears procedure is applied consistently and fairly. Early action is crucial in keeping arrears under control and to assist tenants to sustain their tenancy.

### Arrears Monitoring

Tenant arrears will be monitored using the following methods:

- Daily monitoring of arrears tables from Greentree tenancy desktop to identify tenants who have new arrears or growing arrears levels by Client Services Officers (CSOs).
- Daily monitoring of Centrelink Payment and Deduction Reports by CSOs to identify tenants who have ceased rental payments.
- Weekly production and analysis of arrears reports including graphs on an individual CSO's portfolio, as well as on an organisational basis by the Housing Services Manager.
- Weekly arrears meetings involving all CSOs, coordinated by the Housing Services Manager.
- Provision of email advice from administration staff to individual CSOs when a tenant debt is raised as a result of repairs and maintenance, allocation of water charges or vacated debt.

### Arrears Management

The following procedure shall be followed for arrears management (all contact and actions are to be documented in Greentree):

- Immediate telephone contact by the CSO when a tenant has missed a payment or has fallen into arrears by more than five days.
- First Breach Letter (Letter One) is to be issued by the CSO when a tenant has fallen into arrears by seven days. To be followed up by a phone call to discuss possible support arrangements and provide details of support providers.
- Second Breach Letter (Letter Two) is to be issued by the CSO in the following circumstances:
  - When a tenant has fallen into arrears by 21 days. The letter should be followed up by a phone call by the CSO to arrange an office interview or home visit to discuss repayment options and complete the HOW payment plan agreement; or
  - The tenant has a history on non-payment of rent (in this instance the First Letter will be bypassed) and a Letter Two will be issued when a tenant has fallen into arrears by seven days; or



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- Rental arrears are in excess of \$500 (in this instance the First Breach letter will be bypassed) and a Letter Two will be issued when a tenant has fallen into arrears by seven days.
- Third Breach Letter (Notice of Termination) is to be issued by the CSO in the following circumstances:
  - when a tenant has failed to respond to a Second Breach Letter in 14 days; or
  - The CSO has been unable to make contact with the tenant by all reasonable means; or
  - The tenant has failed to enter into a Payment Plan.

Notice of Terminations must include specific information as required in the documentation. Forms can be found on the NSW Fair Trading website at: [https://www.fairtrading.nsw.gov.au/resources/documents/housing-and-property/Notice\\_to\\_terminate\\_tenancy\\_agreement\\_landlord\\_agent.pdf](https://www.fairtrading.nsw.gov.au/resources/documents/housing-and-property/Notice_to_terminate_tenancy_agreement_landlord_agent.pdf).

Approval by the CEO or Housing Services Manager must be sought prior to issuing the Notice of Termination.

An application to terminate the tenancy based on rental arrears may be made to the NSW Civil and Administrative Tribunal (NCAT) when the Notice of Termination is issued, however, the hearing cannot take place until the date that the tenant is required to vacate has passed.

When considering proceeding to NCAT, CSO's are required to discuss with the Housing Services Manager or CEO whether to make an application to NCAT for a Specific Performance Order (SPO) or a Termination and Possession Order. If the latter, prior to the NCAT hearing date, further discussion by the CSO is to occur with the Housing Services Manager or CEO to determine whether at the hearing the CSO will request the NCAT member to downgrade the Termination and Possession Order to a SPO.

#### Payment Plan Schedule

A Payment Plan Schedule has been defined that includes strict parameters for the negotiation of Payment Plans with tenants. CSOs must use the parameters in the Payment Plan Schedule as the basis for negotiations. A CSO cannot approve a Payment Plan that is outside of these parameters; if the CSO is of the view that the Payment Plan Schedule rates are unachievable for a tenant, approval must be sought from the Housing Services Manager to enter into a Payment Plan that is outside of the parameters of the Payment Plan Schedule.

#### Arrears Reporting

The Housing Services Manager shall produce an arrears report that identifies rent and non-rent arrears for current tenants, by program, for analysis at monthly Executive meetings. The Corporate Services Manager will provide rent and non-rent debt amounts for ex-tenants, by program, for inclusion in arrears reports. Once analysis has been undertaken, the Housing Services Manager will provide the final report, including analysis and identification of remedial strategies undertaken by CSOs for monthly Board reporting.

#### Tenant Support & Referral

HOW acknowledges that many tenants may experience financial or other difficulties that may adversely affect their ability to pay rent. HOW will attempt at all times to ensure tenants are kept informed of their rights and responsibilities under the Residential Tenancies Act. Furthermore, HOW will:

- Make available the arrears management policy information to tenants; and

- Provide and discuss information regarding available support services to tenants at sign up and during rent reviews
- Provide information regarding available support services to tenants in regular newsletters
- Provide information to tenant/s about support services available to them when action to collect rental arrears is undertaken.

The type of support to be offered may include:

- Information on tenancy advice and advocacy services; and/or
- Information concerning financial counselling services; and/or
- Information about other relevant support services (e.g. homelessness services; counselling services; translator services).

#### Use of Advocates

Tenants will be advised of free and independent tenant advocacy services, such as VERTO or Murra Mia Tenant Advice Service that may assist them in discussing their rent situation. These services may attend any meetings with tenants to discuss rent, rent arrears and/or rent repayment agreements, with tenant consent and where appropriate, and will be assisted in doing so by HOW.

#### Appeals

Tenants can appeal a decision made by HOW with respect to rent calculations, repair charges, end of tenancy or water charges, where these are not covered by NCAT, by following the procedures detailed in the Complaint and Appeals Policy.

#### Ex-Tenant (Vacated) Debts

HOW will proceed with action against tenants who leave HOW tenancies with monies owing, or who incur end-of-tenancy (vacated) debts.

This action includes, but is not limited to:


- Seeking to make an arrangement with the tenant to repay the debt;
- Making an application to NCAT for a compensation order for the former tenant, within the prescribed time limit;
- Following Housing Pathways and HOMES procedures for notification, classification and collection of former tenant debt, and further offers of social housing assistance;
- Denying the former tenant access to further assistance from HOW until:
  - the debt is cleared in full; or
  - an acceptable arrangement for repayment has been made and followed, and the tenant has reduced the outstanding debt to less than \$500.

#### Greentree Procedure

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### 3.15 Rent Arrears

 *Arrears are displayed on Workflow Desktop*

 *Open Relevant Tenancy  
Housing Tab*

*Rent Account Balance* - This is the balance of rent charges less rent receipts. If it is displayed as a positive figure, it is a debit (arrears). If it is displayed as a negative figure, it is a credit.

*Rent Account Balance V2* – This is the balance that is derived from the tenant start date, the rebate rent start date and receipts that have been made. For active tenancies, this field should always equal the Rent account balance field with the exception of minor rounding in the fourth and fifth decimal places. If it is displayed as a positive figure, it is a debit (arrears). If it is displayed as a negative figure, it is a credit.

All transactions on the tenant record, and key tenancy information, feed back to the V1 and V2 Balances. If a rent review has been conducted and a Standing Invoice has not been updated, then this will create a discrepancy in the V1 and V2 balances.

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## 3.16 Non-Rent Arrears

**i** *Non-Rent transactions are recorded on the 3100000 tenant.*

**i** *Open Relevant Tenancy*

*Housing Tab*

*Outstanding Bond* = the amount of Bond Invoice(s) still outstanding

*Outstanding Water* = the amount of Water Invoice(s) still outstanding

*Outstanding Maint* = the amount of Maintenance Invoice(s) still outstanding

*Outstanding Other* = the amount of Other Invoice(s) still outstanding

*Non-rent Variance* = all other transactions that don't meet the criteria.

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## 3.17 Repayment Plan

**i** *CRM → Service & Support → Service Requests*

*Summary* = eg Rent Arrears Repayment Plan

*Organisation* = Tenant at property

*Physical Asset* = property

*Status* = Select a status starting with "o.arrears payment plan"

*Contact Notes* = information about your contact with the tenant

*Problem Description* = information about repayment plan

**!** *Additional Tab*

*Assigned User and Assigned Team* = person creating Service Request

*Service Group and Service Person* = person actioning Service Request

*Type* = "Arrears Management"

*Print/Attach Documents to Service Request*

**i** *CRM → Relationships → Organisations*

*Select the relevant tenancy*

*Housing Tab*

*Enter Payment Plan details*

*NOTE1: Rent should always be listed first to ensure the tenant does not enter further rent arrears.*

*NOTE2: Amounts are full amounts. Eg, if the tenant is paying \$20 a week extra for rent arrears and \$10 a week bond, and the tenant is charged \$200 a week rent then it would be RENT \$220 and BOND \$10*

*NOTE3: Splits according to the payment plan happen on a per payment basis. If setting the payment plan at Organisation level, then this will be for every payment received that's allocated to the Organisation. If it is set at a contact level, then it will occur for each payment that contact/household member makes.*

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## 3.19 Notice to Remedy Breach

**i** CRM → Service & Support → Service Requests

*Summary = eg NTRB Rent Arrears*

*Organisation = Tenant at property*

*Physical Asset = property*

*Status = Select a status starting with "o.ntrb"*

*Contact Notes = information about your contact with the tenant*

*Problem = if issuing a strike or final strike, select applicable problem*

*Problem Description = information about breach*

**!** *Additional Tab*

*Assigned User and Assigned Team = person creating Service Request*

*Service Group and Service Person = person actioning Service Request*

*Contact Method = "Letter"*

*Type = "Operations"*

**!** *Timeline Tab*

*Scheduled Finish Time = Expiry Date to appear on Notice to Remedy Breach*

**!** *Print*

*Select ellipses button "..."*

*Select Relevant Template(s)*

*Attach Documents to Service Request*

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## 3.20 Notice to Leave

**i** CRM → Service & Support → Service Requests

*Summary = eg NTL Rent Arrears*

*Organisation = Tenant at property*

*Physical Asset = property*

*Status = Select a status starting with "o.ntl"*

*Contact Notes* = information about your contact with the tenant

*Problem Description* = information about why the Notice to Leave is being issued

**!** *Additional Tab*

*Assigned User and Assigned Team* = person creating Service Request

*Service Group and Service Person* = person actioning Service Request

*Contact Method* = "Letter"

*Type* = "Operations"

**!** *Timeline Tab*

*Scheduled Finish Time* = Expiry Date to appear on Notice to Leave

**!** *Print*

*Select ellipses button "..."*

*Select Relevant Template(s)*

*Attach Documents to Service Request*

**i** *Open Supporting NTRB Service Requests that resulted in the NTL being issued*

*Additional Tab*

*Parent* = Service Request number of Notice to Leave

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## 3.21 Application to Tribunal

**i** *CRM → Service & Support → Service Requests*

*Summary* = eg NCAT Rent Arrears

*Organisation* = Tenant at property

*Physical Asset* = property

*Status* = "o.NCAT - application SPO" or "o.NCAT - application WOP"

*Contact Notes* = information about your contact with the tenant

*Problem Description* = information about why the Notice to Leave is being issued

**!** *Additional Tab*

*Assigned User and Assigned Team* = person creating Service Request

*Service Group and Service Person* = person actioning Service Request

*Contact Method* = "Letter"

*Type* = "Operations"

**!** *Print*

*Select ellipses button "..."*

*Select Relevant Template(s)*

*Attach Documents to Service Request*

**i** *Open Supporting Notice to Leave Service Requests that resulted in the Tribunal application being made*

*Additional Tab*

*Parent* = Service Request number of Tribunal application

**i** *Update Tribunal Application Service Request throughout stages by changing the Service Request status:*

o.NCAT - SPO declined

o.NCAT - SPO granted

o.NCAT - withdrawn

o.NCAT - WOP declined

o.NCAT - WOP executed

o.NCAT - WOP granted

**AA** *Service Request with status "o.NCAT – application SPO" or "o.NCAT - application WOP" will require approval from MHC*