

Co-op Name

ARREARS POLICY

1. Arrears Committee Mandate

- 1.1 The Arrears Committee oversees payment to the co-op of housing, parking and other member charges that are in arrears. The committee aims to quickly identify and remedy problems of arrears.
- 1.2 The committee issues arrears notices to member households as warranted.
- 1.3 The committee is authorized to negotiate and enter into reasonable arrears agreements with members on behalf of the co-op for repayment periods of up to twelve months. Any repayment schedules that extend beyond twelve months must be negotiated with and approved by the board.
- 1.4 The committee reports all arrears, approved repayment agreements, and member compliance with board-approved agreements to the board each month. To protect members' privacy, names and addresses do not appear on these reports.
- 1.5 The committee does not manage the repayment of board-approved agreements. Any member household that is in breach of a board-approved agreement and has contacted the co-op to arrange repayment is scheduled to meet with the board to renegotiate the agreement.
- 1.6 The committee automatically orders the issue of a Notice to Appear when a member household is more than one month's housing charge in arrears, or is in breach of a board-approved agreement, and has not contacted the co-op to arrange repayment.
- 1.7 The committee recommends changes in arrears policy and procedure to the board. Changes are implemented only after board approval.
- 1.8 The committee maintains complete records of all arrears and actions taken.

2. Arrears Committee Structure

- 2.1 The Arrears Committee consists of at least four co-op members. Committee positions include a chair and a secretary, and two members at large. Committee members' duties are listed in section 3. The committee may have a fifth "associate member" whose only task is to deliver notices.
- 2.2 Meetings are held once monthly to review payments made by members, send notices to any households in arrears, impose late payment fees as warranted, approve repayment agreements, and monitor adherence to board-approved agreements.
- 2.3 Two committee members constitute quorum for committee meetings.

- 2.4 Meetings are also attended by the board liaison to the committee, who may be one of the committee members, and by the co-ordinator, who provides access to member accounts and serves as a resource person to the committee.
- 2.5 Whenever possible, meetings are scheduled at least twelve days before the board meets, in order to allow sufficient time for the service of Notices to Appear as warranted.
- 2.6 Minutes are taken of all committee meetings. Committee minutes that contain identifying information of members in arrears, such as names and addresses, are confidential, and are kept with the Arrears Committee records at the office. Only copies of minutes that do not contain member names and addresses are allowed to be taken out of the office. Non-confidential minutes are kept in a binder in the co-op meeting room, and are available to members during office hours.

3. Committee Member Duties and Responsibilities

- 3.1 All committee members attend meetings and participate in committee decision making.
- 3.2 All committee members sign a Confidentiality Agreement.
- 3.3 The committee chair is responsible for the following:
 - calling and chairing all committee meetings
 - delegating and co-ordinating all activities of the committee
 - ensuring that each member of the committee is aware of their responsibilities and is familiar with the procedures for carrying out their tasks
 - ensuring that all committee functions are performed on time, and are properly documented
 - communicating as necessary with the board liaison to the committee.
- 3.4 The committee secretary records committee minutes, and places non-confidential minutes in a committee binder in the co-op meeting room.
- 3.5 Other committee members prepare and deliver notices to member households. An associate member may deliver notices. Delivery occurs within 24 hours of the committee meeting whenever possible.

4. Arrears Policies

- 4.1 **Member Payments:** Housing and parking charges are payable monthly, in advance, by 9 am on the first day of each month. All other charges, including Member Guarantees, Late Payment and NSF fees, and member charges imposed by a committee, the board, or a designated staff person, are due and payable upon receipt of notice. All charges that are not paid when due are considered to be in arrears.

A member is considered to be in good standing with regard to payments when:

- they are not in arrears, or,
- they are meeting the payment terms of a committee- or board-approved Arrears Agreement.

Payments may be made by cheque, money order or pre-authorized debit. Payment in cash is not accepted. Members are encouraged to leave post-dated monthly cheques with the office for the calendar year.

- 4.2 **Late Payments:** A monthly payment that is submitted later than 9 AM on the first day of a month is considered late. The committee imposes a Late Payment Fee (LPF) on each household whose payment is late. An LPF is not imposed when a household notifies the co-op that their payment will be late before it is due, in other words, before 9 AM on the first day of the month. Each household is granted one late payment per calendar year without penalty of an LPF, after which one Late Payment Fee is imposed each remaining month of the calendar year in which their payment is late. The first imposed LPF is \$15, and the second is \$20. Third and subsequent Late Payment Fees are \$25 each.
- 4.3 **Returned Cheques:** When a member's cheque is returned by the bank due to non-sufficient funds or a closed account, the member household is required to pay a Returned Cheque Fee to the co-op of \$8, or the amount charged to the co-op by the bank, whichever is greater. The member household is considered in arrears until such time as the amount of the returned cheque and the fee are paid.
- 4.4 **Arrears Agreements:** The committee invites any member who finds they are unable to make their payments when they are due to contact any member of the committee or the co-ordinator to work out a repayment agreement. Members can also contact the committee by leaving a message on the arrears telephone hotline.
- 4.5 **Bad Debt:** The board determines how to proceed with the collection of debts owed to the co-op by former members, possibly using the services of a collection agency.

5. Arrears Procedures

5.1 The committee meets with the co-ordinator at its monthly meeting to review member accounts and issue notices to any member who:

- is in arrears without a signed agreement,
- has overpaid,
- has paid late, or
- has fallen behind the terms of an existing agreement.

5.2 Five basic types of notices are issued:

1- Reminder of Arrears (ROA) – This notice informs the member household of the amount of arrears and requests the member(s) to pay in full by the end of the month. The notice states that if the household is unable to do so, they are expected to submit an arrears agreement proposal to the office by the end of the month for consideration by the committee at its next meeting.

2- Notice of Overpayment (NOP) – This notice informs the member household of a credit on their account with the co-op, and requests the member(s) to adjust their next monthly payment accordingly.

3- Late Payment Fee (LPF) – There are three versions of this notice.

1) Waived LPF: informs the member household that their payment was late for the first time in the calendar year, and that the \$15 LPF was waived by the committee. The household is notified that subsequent lateness will result in the imposition of late fees. The household is advised to avoid late fees in subsequent months by notifying the co-op of the expected lateness of their payment before it becomes due.

2) LPF (Payment Received): acknowledges payment but notes that it was late, and informs the member household that an LPF is due and payable. The household is advised to avoid late fees in subsequent months by notifying the co-op of the expected lateness of their payment before it becomes due.

3) LPF (Payment Not Received): imposes an LPF and notes that the member household had submitted neither payment nor notification that payment would be late. Payment is requested immediately. The household is advised to avoid late fees in subsequent months by notifying the co-op of the expected lateness of their payment before it becomes due.

- If the household owes up to one month's housing charge, this notice is accompanied by a Reminder of Outstanding Arrears.

- If more than one month's housing charge is owed (exclusive of the current month's LPF), and the household members have not contacted the co-op to negotiate payment, a Notice to Appear is ordered.

- 4- **Behind Agreement (BA)** – The member household is notified that they are in breach of their arrears agreement, and informed of the amount they are behind. The household is advised that a Notice to Appear will be issued unless the terms of the agreement are met, or a proposed renegotiation is submitted.

A Behind Agreement Notice is issued as warranted to any household only once within each calendar year. A Notice to Appear is issued for subsequent breaches in that calendar year.

- 5- **Notice to Appear (NTA)** – A Notice to Appear is a formal notice that the board will consider evicting a member on grounds of arrears, in accordance with the Occupancy By-law and the Co-operative Corporations Act.

The committee automatically orders the issue of a Notice to Appear to a member who:

- a) owes more than one month's housing charge, or,
- b) has not met the terms of their arrears agreement and has not submitted a proposed revised payment schedule as required by the committee; or,
- c) is in breach of a board-approved agreement,
and has not contacted the co-op to arrange repayment.

The co-ordinator issues the NTA.

Approved by

*Arrears Committee:
Board of Directors:
Membership:*