

ARREARS POLICY

The Rainbow Housing Cooperative provides housing for its members at cost. It is the responsibility of each member to pay Housing Charges as well as any other amounts owed to Rainbow Housing Cooperative promptly as they become due.

Arrears are all amounts owed to Rainbow Housing Cooperative that have not been received when due. This includes but is not limited to Housing Charges, outstanding Share Capital, late fines, extra parking stall charges, bank charges and charge backs to the member for maintenance/repair expenses they have incurred through damage or misuse of Rainbow Housing Cooperative property including the interior/exterior of their unit and all Rainbow Housing Cooperative buildings/grounds and property.

This policy sets out Rainbow Housing Cooperative's rules about:

- How and when members pay their housing charges
- How the Cooperative ensures housing charges are paid in full and on time
- Penalties and consequences for being in arrears

A. Proper Payment of Housing Charges

1. Housing Charges are payable monthly and are due in the Rainbow Housing Cooperative office by 11:59 pm on the first day of the month, or by the close of business on the office's first business day of the month, whichever is later.
2. Housing Charge payments shall be made by cheque, money order, bank draft, or tenant pay. Cash or credit cards will not be accepted.
3. Cheques shall be dated no later than the first day of the month. Cheques will be deposited to the Rainbow Housing Cooperative account on the morning of the office's second business day of the month. Members may supply post-dated cheques; however, it is the member's responsibility to ensure that current post-dated cheques are on file at the office.
4. Housing Charge payments, regular monthly Rainbow Housing Cooperative fees and/or arranged payments to Share Capital may be processed through tenant pay. All other invoices must be paid by cheque, certified cheque, money order, bank draft.
5. Any member who has applied for a Housing Charge adjustment is expected to pay the estimated Housing Charge by 11:59 pm on the first day of the month, or by the close of business on the office's first business day of the month, whichever is later. It is the members' responsibility to contact the office prior to the first day of the month to confirm the estimated amount due.
6. Failure to comply with "Proper Payment of Housing Charges" causes the member to be in arrears and subject to fines for arrears.

B. Arrears Payments and Fines

1. If full payment has not been made on or before 11:59 pm on the first day of the month, or by the close of business on the office's first business day of the month, whichever is later, a \$50 fine will automatically be applied by the office.

2. Any member paying their Housing Charge after 11:59 pm on the first day of the month, or the office's regularly scheduled closing time on the first business day of the month, whichever is later, must do so by certified cheque, money order, bank draft, but not a regular cheque nor tenant pay.
3. If only a partial payment is made the remaining balance is considered arrears and will be fined accordingly.

C. Obligations of Members in Arrears

1. Any member who does not pay their Housing Charge in full by 11:59 pm on the first day of the month, or by the close of business on the office's first business day of the month, whichever is later, must submit an *Arrears Policy-Late Payment Agreement* on or before the Housing Charge due date explaining the reason for arrears and intended payment arrangements.
2. Payment agreements not exceeding six months will be considered and will be allowed to pay with tenant pay
3. The Office Manager will be responsible for accepting arrears agreements and the Board of Directors for enforcement, and waiving late payment fines.
4. If any member does not have a payment agreement as per the *Arrears Policy-Late Payment Agreement* then payments must be made by certified cheque, money order, bank draft, and not by tenant pay.
5. If a member has not completed and submitted an *Arrears Policy-Late Payment Agreement* on or before 11:59 pm on the first of the month, or by the close of business on the office's first business day of the month, whichever is later, their arrears situation will be presented to the Board of Directors.
6. A payment agreement is a contract. Any failure to live up to the approved payment agreement will void the agreement and may cause the member to be on probation or have their membership terminated.

D. Returned Cheques

1. If a cheque is returned by a member's financial institution, the member will pay a \$25 service charge to Rainbow Housing Cooperative
2. If a member's cheque is returned by their financial institution Rainbow Housing Cooperative will notify the member by a letter and an invoice placed in their unit mailbox. The member will have two full business days to pay the outstanding balance in full. Any outstanding balance will be subject to fines as outlined in Section B of the Arrears Policy.
3. Returned/NSF cheques shall be replaced only by a certified cheque, money order, bank draft.
4. If a member's cheque is returned by their financial institution more than once in a 12-month period, all payments from any member of this household in the following 12 months cannot be made by cheque or tenant pay. All payments in the following 12-month period must be made by certified cheque, money order, bank draft. Failure to comply will cause the member(s) to be in arrears.

E. Failure to Adhere to Policy

1. All member arrears will be presented to the Board of Directors at their regularly scheduled meeting.
2. On the second business day of the month, a member in arrears who has not submitted an *Arrears Policy-Late Payment Agreement* will have an invoice of the amount owed placed in the member's unit mailbox.
3. There will be no reversal of late payment fines if an *Arrears Policy-Late Payment Agreement* has not been submitted.
4. Should any member be in arrears three times in a twelve-month period, the Board of Directors shall consider, by formal motion and vote, termination of their membership.
5. Other reasons for recommendation of membership termination may include, but are not limited to the following:
 - i) a member's failure to live up to an agreement for arrears payment, or
 - ii) non-payment of arrears, or
 - iii) non-payment of current months' Housing Charges by 11:59 pm on the 14th of the month the Housing Charge is due, except where an *Arrears Policy-Late Payment Agreement* is in place.
6. The Board of Directors will consider all available information and decide on the appropriate course of action, including but not limited to membership probation or termination of membership.
7. Should the member choose to appeal the decision of the Board of Directors they shall refer to the Rainbow Housing Cooperative General Appeal Policy.

F. Bad Debts

1. Bad debts are the arrears of members who move out still owing money to Rainbow Housing Cooperative. The Board of Directors will send the account to a collection agency and/or small claims court.
2. At the end of the fiscal year, any debt older than six months will be written off but remain collectible by Rainbow Housing Cooperative.

G. Payment of Housing Charges Upon Resignation from Rainbow Housing Cooperative

1. The member is expected to pay Housing Charges for the duration of their membership upon giving proper notice to vacate the unit.