



County of Wellington

Social Services Department – Housing Services

DIRECTIVE

Directive Number: 2024-07

Effective Date: August 1, 2024

This directive has been developed by the County of Wellington in its role as Consolidated Municipal Service Manager (CMSM) and applies to housing providers funded under the following social housing programmes:

- Provincially Reformed Non-Profit Housing Programmes
 - Provincially Reformed Co-operative Housing Programmes (Co-ops)
 - Local Housing Corporation (LHC)
 - Service Manager Funding Agreement (Post EOA and Post EOM)
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Subject Social Housing Arrears and Arrears Reporting

Legislative Reference Housing Services Act, 2011 (HSA) and O Reg 367/11

Purpose

To establish processes for housing providers to report former resident arrears and repayment agreements to the CMSM and the Province Wide Arrears Database (PWAD).

Background

The Housing Services Act, 2011 (HSA) states that eligibility for Rent-Geared-Income (RGI) assistance depends on various factors, including whether the household owes arrears for rent or damages from a previous residency with a social housing provider.

The CMSM is participating in the PWAD which stores information about arrears owing to housing providers by former residents and may prescribe rules regarding the inclusion of information in the database.

Direction

Housing providers are required to adhere to the following process:

1. Ensure there is a clause included in household agreements (leases, occupancy agreements and annual review paperwork) informing households that arrears information will be shared with the CMSM and included in the PWAD upon vacating their unit.

2. Notify the CMSM when a household vacates owing arrears by submitting the attached HP61 Former Resident Arrears Form.
3. Inform the CMSM of any repayment agreements with former residents and report non-compliance.
4. Notify the CMSM if any of the following occurs:
 - Payment of arrears, either full or partial
 - Death of a former resident owing arrears
 - Declaration of bankruptcy by a former resident
5. Maintain resident files for households owing arrears until the arrears are paid off or written off due to bankruptcy, potentially longer than prescribed by the HSA or other legislation.

A. Arrears Reporting

To report former resident arrears to PWAD, a housing provider must make reasonable attempts to collect the arrears, including notifying former residents and providing supporting documentation to the last known address or alternate contact such as email address.

Other reasonable attempts may include:

- Attempting to enter a repayment plan to recover the arrears
- Sending the arrears to a collection agency or by taking the individual to either the Landlord and Tenant Board or Small Claims Court

Housing providers must provide some basic information with the HP61 Form to verify the amount of arrears owed. Documents include the following:

- A letter or statement of account showing the final arrears balance
- Invoices
- Inspection report for damages
- Pictures
- Rental ledger
- Notices of decision
- Court or LTB orders

In the event that a final arrears balance is not known, a housing provider can send a first estimate of the amount of arrears owing to the CMSM as a temporary placeholder. However, since this information may be used in decisions that affect a household's RGI eligibility, the housing provider must calculate the final amount owing and provide this information to the CMSM within 30 days. In situations where there are extensive damages, and final amounts are not known until the unit is restored, the housing provider may request an extension to allow the placeholder

amount to remain on PWAD. Failure to give verification or request an extension will result in the arrears being removed from PWAD.

If a housing provider has previously reported arrears to the CMSM for PWAD and they have discovered that they no longer have the documents to verify the arrears, the housing provider must notify the CMSM. At that time, the resident's name will be removed from PWAD.

B. Repayment Plans

Housing providers are encouraged to establish repayment plans to collect outstanding arrears. The HSA does allow a household to be eligible for RGI subsidy if the household is meeting the terms of a repayment plan or if a housing provider fails to work with a former resident to set up a reasonable repayment plan.

Best practices for a repayment plan include the following details:

- Amount of total arrears owing
- Date the payments begin
- Date the arrears will be paid in full
- Terms of the repayment agreement (amount per month)
- Actions that will be taken if the repayment plan is not followed

If a former resident has either a formal or informal repayment plan in place, the housing provider must include this information in the HP61 Form. If the former resident does not make payments according to their repayment plan, the resident will be in default.

Housing providers must provide immediate written notice of the default. The notice must include information about the default and provide specific instructions on how to put the repayment plan into good standing, with a maximum of thirty (30) days to take such action. The notice must state that failure to comply with the repayment agreement will result in being ineligible to apply for RGI subsidy. Once the deadline has passed, the housing provider must advise the CMSM of the default.

C. Other Collection Activity

In general, collection activity using a court proceeding are subject to a two (2) year limitation period which is set out in the Limitations Act, 2002. To prevent the limitation period from expiring, the housing provider must make reasonable and ongoing attempts to collect the arrears.

D. Bankruptcy

Housing providers must notify the CMSM when the arrears are listed on the bankruptcy discharge statement and provide a copy of the discharge. Once verified, the resident's name will be removed from PWAD.

E. Extenuating Circumstances

The CMSM reserves its right to exercise discretion to consider if extenuating circumstances exist regarding ineligibility for RGI due to arrears. The CMSM will review such requests on a case-by-case basis.

F. Definitions

Housing provider refers to any social housing provider prescribed by the Housing Services Act, 2001 with a housing project or projects transferred to the CMSM.

Arrears are defined as:

- Unpaid rent or housing charges (full or partial month)
- Unpaid parking charges (full or partial month)
- RGI subsidy overpayment due to failure to report household income as required or if misrepresentation is found
- Damages to the unit, beyond normal wear and tear, attributable to a member of the household
- Damages to common areas of a housing provider community which are attributable to a member of the household

This definition applies to both market and RGI residents.

Former Resident Arrears are arrears owing to a housing provider after a resident no longer lives with the housing provider.

This Directive is effective immediately.

If you require additional information, please contact the Housing Programme Advisor.

Originally Signed by

Paul Skinner
Interim Director of Housing Services

Appendix 1 – HP61 Former Resident Arrears Form