

Co-operative D'Habitation Aile Nord Inc.

Arrears Policy

Approved by the Board of Directors: July 17, 2018

Approved by the General Membership: July 31, 2018

This policy replaces all earlier by-laws and policies of Co-operative D'Habitation Aile Nord Inc regarding arrears.

Co-operative D'Habitation Aile Nord Inc. (here in after called the Co-op) provides housing for its members at cost. It is the responsibility of each member to pay his or her housing charges, as determined by the co-op, promptly as it becomes due.

If a member encounters an undue hardship (loss of job, reduction in income) it is their responsibility to report it to the office immediately and seek options and help from the board.

1.0 Housing charges and arrears

- a. In accordance with the Co-operative Corporations Act and the co-op's Occupancy By-law, housing charges include all amounts that the co-op charges to members.
- b. Housing charges are payable monthly and are due in the co-op office by the end of the first business day of each month. Business day refers to the days the co-op office is open.
- c. Housing charges may be paid by cash, cheque, money order or interac. For your protection, the co-op office would prefer cheque, money order or interact. Members may leave post-dated cheques with the Co-op office. Members that prefer to pay by cash must do so in person to the co-ordinator/property manager and are solely responsible to get a receipt at the time. The co-op office will not be responsible for cash payments that are not paid directly to the property manager. Interac is available during office hours only.
- d. Member deposits must be paid in full on the acceptance of the unit. Under special circumstances a payment plan of not more than 6 months may be approved to pay the member deposit.
- e. Members who have three (3) cheques returned marked Non Sufficient Funds (NSF), Stop Payment, or Account Closed; in any twelve (12) month period by the bank will required to pay by certified cheque, money order or debit.

2.0 Arrears Process

- a. All Housing charges are due on the 1st business day of each month.
- b. Members unable to pay their housing charges in full by the first business day of the month must sign a late payment request before the first of the month.
- c. A reminder notice may be sent on the 2nd business day of the month to those household who have not paid or submitted a late payment request.
- d. A \$25 late fee and a Notice to Appear (Schedule D) before the Board of Directors will be sent out after the 3rd business day of the month to each member of a unit that has not paid their housing charges in full or made a written payment plan with specific dates and amounts to be paid.
- e. Late payment of housing charges three times within a year (a 12 month period) will be considered to be chronic late payment. The manager may send a Notice to Appear (Schedule E) for a board meeting to member who make chronic late payments. The coordinator/property manager is authorized to sign the Notices to Appear.
- f. **One payment plan within a 12 month period** and with duration of **less than 3 months** may be approved by the property manager. All other payment plans must be discussed and approved by the Board. The property manager may not alter the payment plan once approved by the Board.
- g. If the member fails to maintain a payment plan or Performance Agreement, the member will be given a Notice to Appear before the board at which time the Board may terminate the Occupancy rights of the members and start the eviction process.

3.0 Service Charges and Late Fees

- a. A service charge of \$25.00 shall be charged to the member for any cheque returned by a financial institution. If the co-op's banking institution returns a member's housing charge cheque to the co-op marked NSF (not sufficient funds), Stop Payment, or Account Closed, the member will be charged \$25.00 per returned cheque.. If the returned cheque also makes the member late with their housing charge, they will be charged and additional \$25 late fee as well. Members who do not pay the fees will be considered in arrears.
- b. A member must replace a failed payment within two business days of being notified by the co-op. Only one notice needs to be given for the unit. A failed payment must be replaced by a certified cheque, money order, or the payment must be made by debit card.

- c. If the member does not replace the failed payment within two business days of being notified, the manager may issue a Notice to Appear.
- b. A late fee charge of **\$25.00** shall be charged to the member if the housing charges are not paid in full or a written payment plan is not provided by the 3rd business day of the month. A **Notice to Appear** (Schedule D) before the board of directors will also be issued at that time.

4.0 Responsibilities for Arrears

All arrears cases are strictly confidential and are protected under the Privacy Act and the Oath of Confidentiality by the Board. Any breach in confidentiality must be reported in writing immediately.

- a. The responsibility of the co-ordinator/property manager of the co-op in relations to arrears:
 - To keep records on arrears cases, and to provide an arrears report to the Board on a monthly basis.
 - To send out arrears reminders and Notices to Appear before the Board to members that are in arrears.
 - To take the appropriate steps to collect all money owing to the co-op. (small claims court, credit agencies, Housing Registry etc.)
- b. The responsibility of the board in relation to arrears:
 - To review the arrears reports, and to deal with each notice to appear as individual cases and to take appropriate steps to collect the arrears of current and former members.
 - To review each case and decide to enter a payment plan, Performance Agreement or terminate the occupancy rights of the member and start the eviction process.

5. Eviction Process

- a. The Property Manager will send a Notice to Appear to any member considered to be in arrears as per policy. The earliest date of eviction is 10 days after the meeting that the member is scheduled to attend.
- b. If the Board decides to end the occupancy rights of a member and chooses to evict that member, it must give the member a written Notice within 10 days of the meeting.
- c. The board may decide to suspend an eviction, whereby the eviction is not enforced providing the member meets certain conditions which could include specific payments on specific dates, contact outside agencies to assist and/or payment of housing charges on the first for a period of not less than 6 months. If they fail to meet a condition, they

will be notified that the eviction is being enforced and their termination date will be no less than 10 days from the date of that letter.

- d. Payments made by the member before their scheduled appearance before the board do not act as a waiver to any right the co-op may have. The board still has the right to terminate occupancy rights of the member, start the eviction process or take possession of the unit.

6. Members who move out in arrears.

a. Arrears may include unpaid housing charges and other fees, damages, repairs and/or cleaning required to bring the unit up to a marketable standard after the member has left. The co-op will take all reasonable steps to collect arrears from member who have moved out of the co-op. The steps the co-op may take can include (but not be limited to):

- Sending a registered letter with a summary of the amount owing to the former member's last known address
- Placing the account with a collection agency.
- Informing the municipality's centralized housing registry of the arrears and have them put on the provincial data base.
- Taking legal action through the courts to collect the arrears.

b. When a member moves out of a unit in the co-op owing arrears (including any legal costs), until the arrears are paid the member

- Is not eligible to be considered for membership in the co-op
- May not occupy or reside in another unit in the co-op as part of another members household
- May not stay in any other unit in the co-op as a long term guest.

c. Each year prior to the audit, the board and management will review what accounts should be written off. Generally any account that has not had any activity for more than 6 months will be written off for the year. The co-op will continue to have record of the debt and pursue the arrears as per the by-law.

7. Directors in Arrears

- a. If directors are in arrears,
 - o it undermines the co-op's governance
 - o it weakens the co-op's financial management, and
 - o it sends the wrong message to the members of the co-op and government.
- b. No one who is in arrears of housing charges or is behind in their financial obligations to the co-op for any reason can be a director of the co-op.
- c. **Procedure for Director arrears**

All directors must pay their housing charges or other money due to the Co-op in full and on time. If a director is in arrears, the co-op will give the director written notice of this. The director will have 14 calendar days after the notice is given to pay the arrears in full. The director will automatically cease to be a director at the end of the 14 days if they have not paid the arrears in full, whether or not a repayment or performance agreement has been signed.

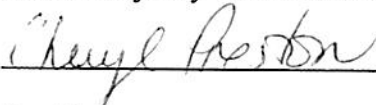
If the director disputes the amount owing, the director can:

- Pay the full amounts set out in the arrears notice, and remain on the board until the matter is reviewed. If the board finds that there was an error, the co-op will refund to the director the excess amount paid.
- Give the co-op written notice of the dispute by the beginning of the next scheduled board meeting or the end of the 14 days notice period.

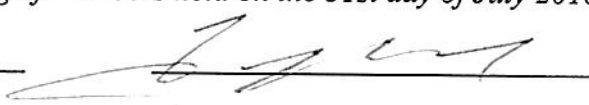
The board will review the matter at its first meeting after receipt of the notice. It will decide on the facts whether the amount in the notice was correct. The board's decision is final. If the board finds there are arrears of any amount, the member will cease to be a director right after the board makes its finding, unless the full amount due is paid at that time.

The written notice to the director can be given by the person who normally gives arrears notices to the members. Prior approval from the board is not needed.

CERTIFIED to be a true copy of the Co-operative D'Habitation Aile Nord Inc. Arrears Policy, passed by the board of directors at a meeting held on the 17th day of July 2018 and confirmed by a 50 % majority vote at a meeting of members held on the 31st day of July 2018.



President



Secretary

“SAMPLE”

Late Payment Request

TO: Co-operative d' Habitation Aile Nord Inc.

I/We _____ of unit # _____

am/are unable to make my housing charge payment in the amount of \$ _____ that is payable in full on the 1st of _____, 20____.

I am/We are requesting that these arrears be paid according to the following schedule:

Date	Payment	Balance

I/We understand that if I/we fail to meet the conditions of this agreement, the entire amount of the arrears become due and payable immediately without notice to me and that Co-operative d'Habitation Aile Nord Inc. is under no further obligation to accept the terms of this agreement and may proceed with appropriate action in regards to these arrears. Furthermore, I/we acknowledge that past due accounts may be addressed through the Credit Bureau, the Provincial Housing Registry and/or other legal avenues.

Member's Signature _____ Date _____

Member's Signature _____ Date _____

Member's Signature _____ Date _____

Co-op Signature _____ Date _____

“SAMPLE”

BOARD OF DIRECTOR IN ARREARS LETTER

DATE

BOARD MEMBER NAME

Aile Nord Co-op

Unit #

RE: 14-Day Notice to Director in Arrears

Dear Board Member,

Our records show that at the date of this notice you owe the Co-op \$_____. Under the Co-op's By-laws and Policies, you have up to 14 calendar days from the notice date to pay this amount in full.

If after 14 days any amount remains unpaid, you will no longer be considered a member of the Board of Directors. Please note that having a repayment or performance agreement, or asking for one, will not allow you to remain on the board.

If you believe the amount in this notice is not correct, you must submit something in writing to the board before the next scheduled board meeting or the end of the 14 day notice period.

We trust the above is satisfactory. Should you have any questions or concerns, please contact the office.

Co-operatively yours,

Property Manager