STATEMENT OF POLICY

To maximize its limited resources and maintain the quality of its programs and services, the Northwest Territories Housing Corporation (NWTHC) must collect rent and mortgage payments as well as rental, damage and mortgage arrears, in a timely and consistent manner.

PRINCIPLES

The NWTHC will adhere to the following principles when implementing this policy:

a. The NWTHC should have a standardized and consistent approach to collection for all NWTHC rental and homeownership programs;

b. Mortgage, rental and damage arrears should be collected in a timely and efficient manner;

c. Tenants and clients should not accumulate large rental/mortgage arrears that are difficult to collect;

d. Arrears should be forgiven where collection is not possible; and

e. Local Housing Organizations (LHOs), District Offices, and the Programs and District Operations Division, Finance and Collections sections at headquarters should have a clear understanding of their roles and responsibilities in the collection process.

SCOPE

This policy applies to:

a. All current tenants of subsidized rental programs, such as the Public Housing Program and the Homeowner Entry Level Program (HELP);

b. All current tenants of the Market Housing Program;

c. All existing clients with repayable mortgages; and

d. All existing clients under non-repayable homeownership programs, such as Providing Assistance for Territorial Homeownership (PATH), Contributing Assistance for Repairs and Enhancements (CARE), and Securing Assistance for Emergencies (SAFE).

DEFINITIONS

The following definitions apply in this policy:

Arrears: A sum of money that has not been paid, or has only been paid in part at the time it is due.

Client: Person(s) who has received assistance under an NWTHC homeownership program.

Collection: All the activities pursued to collect rent, rent arrears, tenant damage arrears, and mortgage arrears.

Collections Section: The Collections section is a section located at headquarters that assists the District Offices and the LHOs with the collection of rental, damage and mortgage arrears.

Contributing Assistance for Repairs and Enhancements (CARE): The CARE program enables existing homeowners to make necessary repairs to ensure a safe and healthy residence and to increase the useful economic life of their home.

Garnishment: A legal proceeding used to collect money on a judgment or debt.

Homeowner Entry Level Program (HELP): HELP is intended to assist tenants' transition from public housing to homeownership by allowing them to assume the responsibilities of homeownership before purchasing a home. HELP also provides an additional affordable housing option for modest income residents.

Judgement: A formal decision given by a court which states an obligation (e.g., debt) decreed by the court.

Local Housing Organization: A Housing Authority, Housing Association, or Housing Division of a community government that acts as an agent on behalf of the NWT Housing Corporation.

Providing Assistance for Territorial Homeownership (PATH): PATH provides an opportunity for clients to become homeowners by providing assistance to construct or purchase a modest home. The client is responsible to obtain their portion of project financing, through an approved financial institution if necessary.

Repayable Homeownership Program: A program in which a loan/mortgage that must be repaid is provided to a client.

Quit Claim Deed: A legal instrument used to release one person's right, title or interest to another without providing a guarantee or warranty of title.

Example: A client vacates the home voluntarily and returns ownership of the home to the NWTHC. The client will not receive any financial compensation or refund of payments made to date. The NWTHC, if satisfied, will not collect any further mortgage payments and releases the client from the agreement.

Right of Set-Off: A right that exists between the GNWT and a GNWT employee to set-off (reduce) the employee's debt by reducing the amount owed to the GNWT, from the employee's paycheque.

Securing Assistance for Emergencies (SAFE): SAFE provides financial assistance to eligible households with incomes below the Core Need Income Threshold (CNIT) undertaking emergency repairs required for the safe occupancy of their home.

Tenant: A person who pays rent in return for the right to occupy rental premises.

AUTHORITY AND ACCOUNTABILITY

General

Northwest Territories Housing Corporation Act
Residential Tenancies Agreement
Residential Tenancies Act
NWT Financial Administration Act
Public Service Act
Creditor's Relief Act
Territorial Court Act – Territorial Court Civil Claims
Maintenance Orders Enforcement Act
Rules of the Supreme Court of the Northwest Territories

Specific

Vice-Presidents

The Vice-President of Programs and District Operations and the Vice-President of Finance and Infrastructure Services are responsible for the administration and enforcement of this policy.

District Directors

The District Directors are responsible for ensuring that the District Office and the Local Housing Organizations (LHOs) comply with this policy.

LHO Board of Directors

The LHO Board of Directors is responsible for the LHO's compliance with this policy.

PROVISIONS

The NWTHC will adhere to the following provisions when implementing and enforcing this policy.

Current Tenants of Rental Programs

Local Housing Organizations:

For all tenants whose rent is overdue by two months, the LHOs **should** file Applications to the Rental Officer for:

a. An Order to Terminate the Tenancy Agreement; and/or

b. An Order to Pay rental arrears.

Applications to the Rental Officer **must** be filed for all tenants whose rent is overdue by four months.

If the Rental Officer issues a conditional Order to Terminate the Tenancy Agreement, and the tenant meets the conditions specified in the Order, the tenancy agreement will remain in effect.

The LHO must file an application for an Order to Pay to the Rental Officer for all tenants with rental and/or damage arrears:

a. Whose leases are not renewed for arrears and/or for reasons other than rental arrears;

b. Who voluntarily decide to end or not to renew their tenancy agreements; or

c. Who abandon their unit.

LHOs must ensure that the remedies they are seeking through the Rental Officer are consistent with this policy (i.e. arrears repayment plans).

Applications for an Order to Pay must be filed within 6 months from the end date of the tenancy or the date the unit was abandoned.

<u>Collection Section (HQ)</u>:

The Collections section, headquarters, will file all Orders to Pay with the Territorial Court to obtain a judgement. Upon obtaining a judgement, the Collections Section will commence collection.

<u>Programs and District Operations Division (HQ)</u>:

The Programs and District Operations Division, headquarters, will file an application to the Rental Officer for an Eviction Order if the Rental Officer:

a. Issues an unconditional Order to Terminate the Tenancy Agreement, and the tenant has not vacated the unit by the date specified in the Order; or

b. Issues a conditional Order to Terminate the Tenancy Agreement, and the tenant fails to meet the conditions specified in the Order.

Clients of Repayable and Non-Repayable Homeownership Programs

The District Offices must file a Statement of Claim with the Territorial Court for all clients whose mortgage payments are overdue by four months or who breach other terms of their agreement and do not pay the Housing Corporation the outstanding loan balance upon due date.

Upon obtaining a Statement of Claim, the Collections section will commence collection.

Arrears Payment Plans

All existing tenants or clients have the ability to enter in arrears payment plans.

Monthly arrears payments must be at least:

a. 5% of gross income for mortgage clients and tenants of the Market Housing Program; and

b. 10% of gross income for tenants of the Public Housing and HELP.

District Directors may agree to different terms and conditions of the repayment plan if, for extenuating reasons, a client/tenant cannot make the above-indicated monthly arrears payments. Directors are encouraged to seek advice from the Programs and District Operations Division in these situations.

Monitoring of arrears repayment plans is the responsibility of LHOs, District Offices, Programs and District Operations Division and the Collections section.

Collection Activity

The Collections section will determine the most appropriate collection activity for each file. Collection activities may include:

a. Right of set-off;
b. Garnishment;
c. Quit-claim;
d. Foreclosure;
e. Collection Agency; and
f. Reporting to the Credit Bureau.

Forgiveness

In situations where the Collections Unit cannot collect arrears despite demonstrated effort, it may make recommendations to the Executive Committee that forgiveness of the arrears be pursued, in accordance with the *Financial Administration Act*.

Monitoring and Reporting

The District Offices must monitor rent payments and rental arrears in their District, and ensure that LHOs have filed Applications to the Rental Officer for an Order to Pay and an Order to Terminate the Tenancy Agreement for all tenants with arrears exceeding the equivalent of four months' rent payments.

The Programs and District Operations Division, in collaboration with the Collections section, will monitor all files through the NWTHC's Territorial Housing System (THS) and the Rental Officer Decisions database to ensure collection procedures are being followed by LHOs and District Offices.

POLICY ADHERENCE

This collection policy is to be administered in accordance with the collection procedures that have been specifically developed for this policy. This policy will override a procedure if there is a conflict between the policy and a procedure.