

# Arrears and Debt Management Policy

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Policy context: This policy relates to	
Standards or other external requirements	
Legislation or other requirements	<ul style="list-style-type: none"><li>• <a href="#">Residential Tenancies Act (NT) 1999</a></li><li>• <a href="#">Financial Management Act (NT) 1995</a></li><li>• <a href="#">Limitation Act (NT) 1981</a></li></ul>
Contractual obligations	<ul style="list-style-type: none"><li>• Contractual agreements with funding bodies</li><li>• Housing tenancy contracts</li></ul>

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## **1. Overview**

This policy outlines how Community Housing Central Australia (CHCA) manages tenant debt and arrears.

## **2. Purpose**

The purpose of this policy is to:

- Have an effective equitable and client focused arrears and debt management process that aims to minimise debt through early intervention strategies.
- Minimise terminations resulting from unpaid arrears and debts, help our tenants to keep their tenancy and prevent homelessness.
- Make sure that we collect money that is owed to us.
- Ensure debt recovery procedures comply with the Residential Tenancies Act 1999 and Limitation Act 1981.

## **3. Guiding principles**

We will:

- Meet our legal duties.
- Address any issues early to keep arrears and debt at a minimum and prevent tenancies from being terminated.
- Work with tenants who have property care issues to reduce the amount of charges they will have to pay.
- Tell our tenants about their legal responsibilities relating to rent, rent arrears and debt.
- Work with other support services to help tenants who are experiencing financial difficulties.

## **4. Definitions**

### **4.1. Arrears**

Arrears are rent that is unpaid and overdue.

### **4.2. Debts**

Debt is any amount that is unpaid and may result from unpaid bond, utilities charges, tenant charges, or rent arrears/end of tenancy charges from a former tenancy.

## **5. Managing rent arrears and debt of current tenants**

When we begin a tenancy, we will tell the tenant about their rent and other charges they need to pay such as water charges, and will help them to set up payments so that their rent is paid on time.

We will monitor tenant accounts. When a rent account falls into arrears or water charges and/or debts remain unpaid, we will contact the tenant to try to resolve the issue and to prevent arrears/debts from becoming large, unmanageable amounts.

We may use different strategies when dealing with rent arrears and debt. Depending on the circumstances of the individual tenant, these strategies may include:

- Requesting a lump sum payment.
- Negotiating an affordable repayment agreement.
- Referring the tenant to external support or financial counselling services and follow up/increased communication to monitor the tenant's situation after a referral.

- Issue a formal Breach of Tenancy where rent has not been paid for 14 days or more.
- Applying to the NT Civil and Administrative Tribunal (NTCAT) where arrears have remained unpaid for more than 14 days to seek a termination order.
- Assess a tenant's current income where financial hardship has been claimed.
- Terminating a tenancy where we have tried all other options and the rent or debt remains unpaid.

## **6. Managing rent arrears and debt of former tenants**

We will manage any arrears/debt outstanding at the end of tenancy using our End of Tenancy policy. We will work with former tenants to ensure that debts are repaid. If the debt remains unpaid, further action may be taken through the local court to recover the money owed.

## **7. Repayment agreements**

Tenants must enter into arrangements to pay debts relating to their current or past tenancies with us.

A minimum weekly repayment amount will be determined based on the tenant's gross household income and depend on the housing type they are in. CHCA will not make repayment agreements unaffordable.

## **8. Appealing decisions or actions**

Tenants can appeal the amount owed in accordance with the Tenant Charges and Rent policies. NTCAT may also hear some matters relating to rent arrears and debt.

## **9. Complaints and/or appeals**

If a client is not satisfied with either a decision or action of CHCA, they can access CHCA's complaints and/or appeals processes. For further information, please refer to the Complaints and/or Appeals policies.

## **10. Referenced policies / documents**

- End of Tenancy
- Tenancy Termination
- Financial Hardship
- Appeals Policy
- Rent Assessment Policy