

# Community Housing Notification

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**Policies & Procedures No. 20-10**  
**September 4, 2020**

*The Requirements, Recommendations and Guidelines in this communiqué are to be implemented by the housing providers administered under the legislated programs/Operating Agreement identified below:*

- √ **Housing Providers under *Housing Services Act, 2011***
- Housing Providers under a Federal Operating Agreement
- √ **Requirement**
- √ **Guidelines**
- Information Only

## **Subject**

### **Ineligibility for Rent-Geared-to-Income Subsidy due to Arrears**

**Legislative Reference:** *Housing Services Act, 2011*, s.42, s.44, s.45, s. 47, s.48, s. 50, s. 51, s.53, Ontario Regulation 367/11 s. 26.

## **Purpose/Overview**

The purpose of this local rule is to describe the requirements for an applicant household to be deemed eligible for RGI subsidy when a household member is found to have arrears with a housing provider in the Province of Ontario. In addition, this policy will confirm the process for housing providers in Greater Sudbury to report household arrears to the City of Greater Sudbury, Housing Registry.

## **Background**

Under Ontario Regulation 367/11, a household is ineligible for rent-geared-to-income subsidy if any member of the household owes arrears, with respect to a previous tenancy or membership with any housing provider and/or transferred housing program listed in the *Housing Services Act, 2011* (HSA).

## **Local Rule**

In addition to the housing provider's own respective arrears policies, the Service Manager will confirm the following procedural policy in regards to reporting household arrears to the Service Manager.

## **Definition of Arrears**

For the purposes of community housing on the centralized wait list, community housing arrears can be defined as (but not limited to) one of the following:

- Unpaid rent/housing charges (full or partial month) owed to any housing provider listed under the HSA;
- Unpaid charges (full or partial month) such as parking, etc.;
- Damages to the unit that are attributable to a member of the household or the guests of a household member; and
- Damage to common areas or any other structural element on the housing provider's property which are attributable to a member of the household or the guests of a household member.

## **Arrears and Ineligibility for Rent-Geared-to-Income Subsidy**

A household will be deemed ineligible for RGI subsidy if a member of the household owes arrears to a previous housing provider listed under the HSA. In order to be deemed eligible for RGI subsidy, the member of the applicant household will need to pay the arrears amount in full or enter into a repayment agreement with the housing provider for which the arrears were owed. The Service Manager must be satisfied that the member is making or intends to make all reasonable efforts to repay the arrears.

**Consideration:** An applicant household may not be deemed "active" on the centralized wait list until:

- The arrears has been paid in full; or
- The household member has entered into an agreement, or made reasonable efforts to enter into a repayment agreement with the person to whom the arrears or amount is owed. In addition, the Service Manager must be satisfied that the member of the applicant household is making or intends to make all reasonable efforts to repay the arrears or amount; or
- The Service Manager is satisfied there are extenuating circumstances.

## **Households with Arrears under \$1,000**

If an applicant household applies for RGI subsidy and one of its members owes former arrears, the household's application status will be deemed "pending" for up to a six (6) month period until member is able to demonstrate that the following criteria are satisfied:

- The member of the applicant household submits verification that the arrears have been paid in full; or
- The member of the applicant household submits a copy of the repayment agreement along with verification of consistent payments made to date; and
- The member of the applicant household continues to submit verification each time a payment is made.

## **Additional Criteria for Households with Arrears over \$1,000**

The household's application will remain "pending" until **at least 50% of the arrears have been paid**. The application will remain "pending" for up to an additional six (6) months to ensure the member is adhering to the repayment agreement.

When the Service Manager is satisfied that these criteria have been met, the applicant household may be deemed "active" on the centralized wait list with its original date of application for RGI subsidy. If the applicant household is unable to satisfy these criteria, the household will be deemed ineligible to receive RGI subsidy and their application will be cancelled. The household will be informed of the right to request a review of the decision.

**Default on Repayment Agreement:** Once an applicant household receives RGI subsidy, if the individual who is making payments through a repayment agreement defaults on payments or refuses to continue making payments, the household will become ineligible to receive RGI subsidy. If this occurs, the household receiving RGI subsidy will be issued a ninety (90) day notice of rent/housing charge increase to market value of the unit. The household will be informed of their right to request a review of the decision.

**Special Priority Status:** If an applicant household member has been approved for Special Priority Status and owes arrears to a housing provider, the amount of arrears owed is deemed to be one-half of the actual amount if the arrears are for a unit where the member and the abusing individual were joint tenants/members.

## **Reporting Arrears to the Housing Registry:**

### **Role of the Housing Providers**

1. If a household member has a repayment agreement in place for arrears from a previous community housing provider in Ontario, as part of the annual RGI eligibility review, housing providers are directed to contact the Housing Registry to obtain information on the status of the repayment agreement. If the household member fails to comply with the terms of the repayment agreement, the Housing Registry will provide the household with an opportunity to comment and a notice of decision. The ultimate consequence is cessation of RGI subsidy (ninety (90) day notice of rent/housing charge increase to market value of the unit.). The household will also be informed of their right to request a review of the decision.
2. Notify the Housing Registry when a household member moves out owing arrears (including overpaid subsidies and damage related costs) by completing and submitting Appendix A: Arrears Information Sheet which is attached to this policy. The form should be sent to the Housing Registry as soon as the household moves out of the unit. If the household is charged for damages, it must be reported to the Housing Registry as soon as it is determined, and the amount can be included with the total arrears owing. As indicated in Social (Community) Housing Notification 17-03, housing providers are still required to report the arrears amounts in the Quarterly Arrears & Vacancy Reports to their respective Program Administrator.

To determine a household's eligibility for RGI subsidy, it is important that housing providers provide the Housing Registry with the following information:

- Name of household members sixteen (16) years or older who are responsible for the arrears;
  - Date of birth and Social Insurance Number (SIN) for each member;
  - Former address and current address;
  - Amount of outstanding arrears (rent/housing charges and damages);
  - Occupancy dates (move-in and move out);
  - Details of the repayment agreement, if any; and
  - If the outstanding arrears have been filed with a collection agency and name of the agency.
3. Ensure the Housing Registry is notified when a household with arrears files for bankruptcy. It is also important to provide the Housing Registry with the bankruptcy discharge when the housing provider receives it as the household continues to owe and is not eligible for RGI subsidy as long as the bankruptcy is not discharged.

Housing providers should have an Arrears Policy in place which includes criteria that outlines that the housing provider cannot refuse a repayment agreement that is fair and reasonable amount based on the household's adjusted family net income.

The Service Manager has the discretion to consider extenuating circumstances regarding the eligibility of RGI subsidy for a household member with outstanding arrears.

**Exemptions:** Arrears are deemed invalid under the following circumstances:

- Upon the death of the household member and after attempts to collect the arrears from the estate have been proven unsuccessful.
- Bankruptcy if the arrears have been claimed and discharged through the bankruptcy and the former household member provides a copy of the discharge documents.

### **Conclusion**

A consistent approach to households who have acquired arrears, established a repayment plan and are in default of a repayment plan, will ensure that RGI units are available for those in need of the units.

### **Action Required**

The policy in this notification is effective immediately. Housing providers are required to provide a copy of this Community Housing Notification to all members of the Board of Directors and take the necessary action outlined in this Notification.

Housing Providers will need to ensure their own arrears policies and any related policies are updated to ensure they are in compliance with this local rule.

For more information or should you have any questions or concerns, please contact your Program Administrator.



Cindi Briscoe, B.A.  
Manager, Housing Services

*(disponible en français)*

## APPENDIX A: ARREARS INFORMATION SHEET

Name of Housing Provider: _____		
Name of Household (list all lease holders)	Date of Birth MM / DD / YYYY	Social Insurance Number
Former Address: _____		
Occupancy Dates: From: _____ To: _____		
Current Address (if available): _____		
Amount of Rent/Housing Charge Arrears: \$ _____ Amount of Damage Arrears: \$ _____ Other: \$ _____ <b>Total:</b> \$ _____		
Is there a Repayment Agreement in place? If so, please attach a copy of the agreement.  <input type="checkbox"/> No <input type="checkbox"/> Yes – Amount of Payment: \$ _____ Frequency of Payment: _____ <input type="checkbox"/> Pays as agreed		
Have the arrears been filed with a collection agency?  <input type="checkbox"/> No <input type="checkbox"/> Yes – Date: _____ Name of Collection Agency: _____		

***Please inform the Housing Registry upon receipt of any payment as it will affect the household's eligibility to receive RGI subsidy.***