



RENT COLLECTION POLICY

1.0 PURPOSE

It is the intent of the Housing Authority of the Town of Beaufort (BHA) to collect in a timely manner all monies owed to it by the tenants of its housing units. The policy statements contained herein, set forth the requirements for tenants for tenants to meet their financial obligations to the BHA and guidelines for staff to execute their collection duties.

2.0 RENT AND CHARGES DUE AND PAYABLE

Rent for all tenants is due and payable by the first day of the month and is considered late at the close of business on the 5th calendar day of the month. If the fifth calendar day of the month falls on a holiday or weekend, rent will be accepted, without penalty, on the first business day following that holiday or weekend.

3.0 LATE RENT

With the exception of the circumstances specified in this section, all rent payments not received by the day and time specified above shall be considered late and will be assessed a late fee of the greater of \$15.00 or 5% of the amount due. The Executive Director has the discretion to waive late fees for good and valid cause, which may include, but are not limited to, instances where payments on behalf of a resident made through an authorized agency are delayed beyond the fifth calendar day of the month.

It is the BHA's policy not to charge a late fee for outstanding balances of not more than \$20.00.

4.0 OTHER CHARGES

Any charges other than rent shall become due and payable not earlier than 14 calendar days after the resident has been notified of the charge by the BHA. Payment of these charges will be considered late if they are not received by the close of the business on the 14th calendar day after the resident has been notified of the charge by the BHA and will be assessed a late fee of the greater of \$15.00 or 5% of the amount due. If that date falls on a holiday or weekend other charges will be accepted without penalty until the close of business on the first business day following that holiday or weekend. Failure to make full and timely payment of the other charges is a lease violation and grounds for termination of tenancy pursuant to the adopted lease and grievance procedures.

5.0 PAYMENT METHODS AND LOCATION

Non-cash payments (checks and money orders) for rent, security deposits and other charges shall be accepted at the:





BEAUFORT HOUSING AUTHORITY

Affordable Housing Provider

BEAUFORT HOUSING AUTHORITY MANAGEMENT OFFICE

716 MULBERRY STREET

No cash payments will be accepted. Payments from authorized agencies will be accepted in payment of rent, security deposits, and other charges.

All checks and money orders shall be made payable to the Housing Authority of the Town of Beaufort or Beaufort Housing Authority. Pursuant to N.C.G.S. 157-29, the acceptance by the BHA of any partial rent payment does not waive or cure any existing default and does not waive the BHA's right to pursue all of its remedies including Lease termination.

6.0 NOTICE OF DELINQUENCY

Any tenant who has not made the required payment of rent by the time rent is considered late is in violation of the Lease and will be sent a “14 Day Demand for Rent” notice in compliance with Federal and State Law. This notice shall be delivered to me or to a responsible adult member of my household residing in the apartment or sent by pre-paid first class mail properly addressed to me. The BHA may, but is not required to, send this notice by certified mail.

The BHA may immediately begin legal proceedings to evict tenants who have not paid full rent and other charges, or made satisfactory arrangements with the BHA to make such payments under a repayment agreement, by the expiration of the applicable time period set forth in the notice described above. Once the BHA has filed a petition for eviction with the courts, all court costs and legal fees allowed by law are due and owing by the resident, and the BHA is not obligated to dismiss such action unless full payment of all amounts due, including applicable court costs/legal fees, are tendered. If these conditions are not met, the resident will be expected to vacate the unit or the case will be disposed of through judicial proceedings.

If court papers are filed three times within a twelve month period, the third filing will result in an automatic termination/eviction action.

7.0 RETURNED CHECKS

In the event a personal check is returned by the bank for any reason, the tenant will be assessed a \$25.00 returned check fee. Any tenant having a check returned is prohibited from making payment by personal check for the next twelve month period.



BEAUFORT HOUSING AUTHORITY

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8.0 COLLECTION OF VACATED ACCOUNTS AND LOSS CONTROL

Accounts of tenants moving out of a dwelling unit owing the BHA rent, repair, and other charges will be pursued for collection. The BHA will submit these accounts to the credit bureau, collection agency, HUD, the North Carolina Debt Setoff Program, and, if deemed appropriate, small claims court, after reasonable efforts of staff have failed to collect the full amount owed. Staff actions shall be deemed reasonable if, within 30 days of termination of tenancy, the following has taken place:

- a. A letter, stating the amount owed and the expectation of payment within 10 calendar days is sent to the last known address of the former tenant;
- b. Reasonable attempts to reach the former tenant by phone have been made; and
- c. Full payment has not been made within the time specified in the letter and the former tenant has not made arrangements to pay which are acceptable to the BHA, in its sole discretion.

Any former resident with an outstanding account balance with the BHA will be denied re-admission unless the past due account is paid in full or arrangements are made which are acceptable to the BHA, in its sole discretion, and all other criteria for admissions are met. The BHA will consider a former resident's full rental history in deciding whether to allow admission.

9.0 WRITE OFF OF VACATED ACCOUNTS

Delinquent accounts of vacated tenants may be written off on the BHA's books and accounting records if the BHA determines that there is no reasonable chance of collection. Accounts of vacated tenants shall be considered to have no reasonable chance of collection if they are over 90 days old and staff has made reasonable, but unsuccessful, attempts to collect the full amount. Such accounts shall be written off through resolution of the Board of Commissioners. The resolution shall identify the account to be written off by tenant name, and uncollected amount. The writing off of an account on the BHA's books and accounting records is solely an accounting function which does not eliminate the obligation of the tenant to the BHA for such amount, and which does not waive the BHA's right to payment from the tenant and to continue to pursue collection efforts.



Equal Housing Opportunity





BEAUFORT HOUSING AUTHORITY

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10.0 REPAYMENT AGREEMENTS

In the event that a tenant is past due in their payment obligations to the BHA, the BHA may consider, in its sole discretion, and on a case by case basis, whether to enter into a written repayment agreement with the tenant to document the amount of the obligation owing to the BHA in addition to current and accruing rent and other charges, to expressly provide for the terms of repayment of that obligation, and to expressly provide for the consequences of the tenant's failure to strictly comply with those terms. All payments provided for under a repayment agreement shall be in addition to, and not a substitute for, all accruing rent and other charges under the Lease from and after the date of the repayment agreement. All payments provided for under a repayment agreement shall be due on the same terms and conditions as rent under the Lease.

No tenant may enter into more than one repayment agreement with the BHA within a twelve month period. In deciding whether to enter into a written repayment agreement with a tenant, the BHA may consider the following conditions:

- a. No other repayment agreement is in force.
- b. The tenant has not been delinquent 3 times within the preceding 12 month period.
- c. The repayment agreement is requested within the statutory delinquency notice prior to initiation of legal action for non-payment.
- d. The tenant is not under any actual or pending eviction proceeding.
- e. There are no carryover balances (in excess of \$20.00) from the previous month.
- f. The reason for the request for the repayment agreement is valid and is fully substantiated and documented. Valid reasons may include, but are not limited to, hardship situations beyond the tenant's control that temporarily reduce household income or create expenses that must be incurred to allow household income to continue. Examples include, illness that prevents a household member from working; vehicle repairs necessary to enable a household member to continue working; or delayed government payments.

The maximum duration of any repayment agreement is 12 months. The terms of all BHA repayment contracts shall be as follows:

<u>Balance Due</u>	<u>Payment Due</u>
\$26-\$100	\$25 down and \$25 per month
\$101-\$500	25% down and balance within 11 months with minimum payment Of \$35 per month
\$501-\$1000	25% down and balance within 11 months with minimum payment of \$50 per month
\$1001-	25% down and balance within 11 months with minimum payment of \$75 per month

The lease shall be considered amended when a repayment agreement is executed. Such lease amendment shall effect a rent change consistent with the terms of the repayment agreement.

