

Lom Nava Housing Co-operative Inc.

ARREARS BY-LAW

By-law No. 11

The co-operative provides housing for its members at cost. It is the responsibility of each member to pay his or her fair share of the costs promptly, as charges become due.

The Board may terminate a member's right to occupy a unit in the co-op according to the Occupancy By-law if the member is in default or has been repeatedly late in payment of monthly housing charges or other charges payable under the articles or by-laws of the co-op.

Priority of this By-law

This By-law takes the place of or amends all previous by-laws or decisions that deal with payment of housing charges and arrears administration.

Payment

1. Housing charges (from members) are **due** at the co-op office by 1:00 p.m. on the first (1st) day of the month. Cheques should be dated for the first day of the month.
2. Members are encouraged to file post-dated cheques with the Co-op office to facilitate prompt processing.
3. Payments must be made by cheque or money order. The co-op is not set up to handle and will not accept cash.
4. Arrears are any amounts owed to the co-op that have not been received when **due**, including the **security deposits**.
5. For the purpose of this by-law, all due dates and notice dates will be on the first subsequent working day when such due dates and notice dates occur on a weekend or statutory holiday.
6. Payments not received by 1:00 p.m. on the first day (1st) of the month or the first business day thereafter are subject to a **\$25.00 late fine**.
7. Payments not received by the fifth (5th) day of the month or the first business day thereafter will place the member in default.
8. If payment is returned by the co-op's financial institution, in order not to be charged, the member must have proof of the bank's error in the form of a letter from their bank.

Reminder and Notices

1. A reminder will be sent by the manager to each member who has not paid their housing charge on the first day of the month, by the end of the second business day of the month, informing them that they are to be charge a \$25.00 late payment fine.

2. On the fifth (5th) day of the month or during Co-op Office Hours on the first business day thereafter, if the member has not made satisfactory arrangements for housing charge payment, the manager will send out a *Notice to Appear (Schedule D of the Occupancy By-law #4)* at a meeting of the Board. At this meeting, termination of the member's rights to membership and occupancy will be considered.
3. If members pay their housing charges late three times in any fiscal year of the Co-op, the manager will send out *Notices to Appear (Schedule D of the Occupancy By-law #4)* at a meeting of the Board where termination of the members' rights to membership and occupancy will be considered.

Role of the Manager

1. The manager will administer the Arrears By-law together with the Board of Directors. The manager will assume an attitude of respect and non-judgment with members in arrears, while being fair, firm and consistent in administering the Arrears By-law and any performance agreement that may be made.
2. The manager will make a monthly report to the board that shows the total amount of arrears and number of households in arrears for the current and previous months; the report will use assigned itemized numbers and not members names. The report will also summarize arrangements made by the manager with members to pay their arrears and indicate if the agreement is being honored. The report will show arrears for both the current and previous months. The manager will make a recommendation to the board for each member asked to appear before the board.
3. The manager may recommend credit counseling and make a referral to a counselor.
4. The manager may enter into a *Performance Agreement* or *Arrears Payment Agreement* on behalf of the co-op with members who are in arrears.

Arrears Payment Agreements

1. The manager will do one of the following:
 - If the member is in arrears of no more than one full month of current housing charges, the manager may set up a schedule of repayment with the member in the form of a *Performance Agreement* or *Arrears Payment Agreement*. The manager is authorized to sign arrears payment agreements not to exceed six months. The agreement should not defer the beginning of the repayment schedule for longer than one month following the date of signing the agreement.
 - If the manager is not satisfied that the member is willing or able to pay the arrears within a six-month repayment schedule or, if the arrears are for more than one full month of current housing charges, the member will be asked to attend the next board meeting to discuss repayment. The manager can negotiate a *Performance Agreement* for arrears exceeding one full month of current housing charges so that the member will not have to attend the meeting as long as the Board at the next meeting approves the Agreement.
2. All arrears payment agreements must be accompanied by a post-dated cheque or cheques as applicable. This does not apply if a member is required to pay by certified cheque or money order.
3. No arrears payment agreement can be made for a period longer than one year.

4. When a member has made arrangements with the board or the manager to pay arrears, and where the conditions of payment as outlined in the *Performance Agreement* are not being met, the member will automatically be served with a *Notice to Appear before the board (Schedule D of the Occupancy By-law #4)* at a meeting of the Board where termination of the members' rights to membership and occupancy will be considered.
5. Where the conditions of payment as outlined in a conditional eviction are not being met and where compliance was a condition of not proceeding with an eviction by the Board, the eviction will automatically proceed.

Returned Cheques

If a member's cheque to the co-op is returned by the bank or credit union, the member shall be required to pay a service charge. In addition, the member shall be treated as though she or he is in arrears until such time as the cheque is replaced. If two cheques from a member are returned in the co-op's fiscal year, that member will be required to make all payments to the co-operative by certified cheque or money order for the next six months.

Bad Debts

1. Bad debts are the arrears of members or former members who move out still owing money to the co-op. The manager will make a recommendation to the board regarding collection of the debt. This recommendation could include the use of a collection agency or small claims court.
2. Bad debts will be recorded with the Credit Bureau.
3. Members who end their occupancy (see *Occupancy By-law, Article 8*) without paying their arrears or housing charges owing in full will be reported to Peel Regions centralized waiting list for Social Housing.

Confidentiality

1. Households in arrears will not be identified by name to the Board of Directors, except when those households are to appear before the Board for termination of occupancy rights in accordance with the By-laws of the Co-operative.
2. Neither staff nor Directors will divulge the identity or circumstances of any household in arrears to any member of the Co-op or other person, except as may be required in the administration of this By-law and the By-laws of the Co-operative. Failure to maintain the confidentiality of arrears cases will be grounds for removal from the Board or for dismissal of staff.

*Passed by the board of directors at a meeting held on the 23rd day of **January 2008**.*

Secretary

President

*Confirmed by a two-thirds majority of members of the Co-operative at a General Meeting of Members held on the 27th day of **February 2008** and sealed with the corporate seal of the Co-operative.*

Secretary

President

c/s