

ST CLAIR HOUSING COMMISSION REPAYMENT AGREEMENT POLICY

It is the policy of the St. Clair Housing Commission that we will not provide Rental Assistance/Subsidy through any program administered by/through the St. Clair Housing Commission, to a family who has indebtedness to this Housing Commission until either the balance is paid in full or a Repayment Agreement has been executed.

Tenants are required to reimburse the SCHC if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the SCHC for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent.

When a resident/program participant owes the St. Clair Housing Commission back charges and is unable to pay the balance in full by the due date, the resident/program participant may request that the St. Clair Housing Commission allow them to enter into a Repayment Agreement. The St. Clair Housing Commission has the sole discretion of whether to accept such an agreement.

If the tenant refuses to pay the balance owed (by entering into a repayment agreement or fails to make payments on an existing or new repayment agreement) the SCHC must terminate the family's tenancy or program assistance, or both. HUD does not authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the SCHC, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the SCHC.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

Repayment Agreements will only be entered into one time per occurrence. Future occurrences may be denied this opportunity if the family's situation is determined by the St. Clair Housing Commission to be chronic. Residents/program participants on minimum rent who have had their rent abated for a temporary period due to hardship situation will be allowed to enter into a Repayment Agreement.

The following terms and repayment terms and conditions will generally be considered as acceptable.

1. A down payment equaling 20% (or more) of the amount owed must be paid upon entering into the Repayment agreement
2. Balance must be paid in full within 90 Days (or less).

3. A minimum monthly installment payment of no less than 20% of the remaining balance owed, with a balloon payment, if necessary, at the end of the 90 day repayment term.

Any Repayment Agreement not meeting the above terms and/or conditions can only be entered into with the approval of the Executive Director. All repayment agreements must be in writing, dated, signed by both the tenant and the SCHC, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. The applicant and/or tenant will remain in good standings with the Housing Commission as long as all payments are received pursuant to the Repayment Agreement. Additional charges added to a residents account during the term of this agreement must be paid in full within their allotted time frames or it will be considered failure to abide by the terms of the Repayment Agreement. Failure to abide by the Repayment Agreement will result in one or more of the following actions:

- A. Section 8 Applicants and/or Public Housing applicants will have their Waiting List applications placed inactive unless payment in full has been received.
- B. Public Housing residents/program participant will have the unpaid balance turned over to the 72nd District court for collection of the total unpaid balance, plus court costs. Since this tenant has violated their Repayment Agreement, this choice will not be offered a second time for this occurrence. Once judgment is received, full payment must be made within 10 days of court judgment or an Order of Eviction will be issued and they must vacate the unit. Section 8 Program Participants will have their rental assistance terminated, providing proper notice to the landlord and tenant, and the Housing Commission will pursue further legal remedy for remaining unpaid balance.
- C. Public Housing and Section 8 residents/program participants will have their accounts referred to a collection agency and their account balance placed on the HUD website, future government assistance may be denied until the balance owing is paid in full.
- D. Public Housing and Section 8 residents/program participants will be referred to the credit bureau and other appropriate clearinghouses that maintain debt information.

It should be noted that this agreement will be in default when one (1) payment is delinquent. When the Repayment agreement is in default, **NO FUTURE REPAYMENT AGREEMENTS WILL BE MADE WITH THE SAME FAMILY FOR THIS OCCURRENCE, AND ALL MONIES ARE DUE IN FULL.**

Related Documents: Repayment Agreement Form

St. Clair