

BROOKLINE HOUSING AUTHORITY (BHA)

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RENT COLLECTION POLICY

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RENT COLLECTION POLICY

I. POLICY STATEMENT

This policy is adopted by the Brookline Housing Authority (BHA) and applies to all residents in both state and federal housing. It addresses the manner in which residents must pay their monthly rent and the consequences of late payment or non-payment of rent due to BHA. This policy is consistent with the laws of the Commonwealth of Massachusetts, HUD regulations, and BHA's Dwelling Lease. The Housing Authority is committed to enforcing this policy in an equitable and non-discriminatory manner.

The Rent Collection Policy is designed to achieve the following goals:

- Maintain the Housing Authority's resident accounts receivable at no more than 5%.
- Clarify for both resident and staff, the BHA's posture with regard to rent collection.
- Establish strict guidelines extending Repayment Agreements only in extenuating circumstances as defined by the BHA or for retroactive rent charges.
- Streamline and simplify the legal process used by BHA.

II. MONTHLY RENT

In accordance with HUD regulations, residents of federal developments are charged the greater of \$50 (federal developments only) or 30% of their monthly adjusted income for rent. Adjusted income is calculated by deducting from gross income allowable expenses, such as child care and medical, as well as deductions for dependents and elderly households. Eligibility for specific allowances depends upon the tenant's individual circumstances.

Residents of state elderly/handicapped developments who pay no utilities are charged 30% of net monthly income and residents of family developments who pay no utilities are charged 32% of net monthly income.

In state developments where utilities are paid by resident, a resident's share of rent is based on 27% of income in family housing and 25% of income in elderly/handicapped housing. (*See Section IV below*).

In federal developments where utilities are paid by resident, a utility allowance is deducted from the rent. (*See Section IV below*).

Residents are required to report their income annually to BHA and rent is adjusted

accordingly. During the course of the year, residents may be eligible for reductions in their rent if they suffer a loss of income or an increase in allowable expenses. Because rents in public housing are based upon a resident's ability to pay, they are, in all cases, reasonable and affordable. The BHA's policy on rent collections takes these facts into consideration.

III. RENT PAYMENTS

Rent shall be paid either by mailing to BHA's central office or by tendering in person at BHA's central office, and is due and payable on the first of each month but no later than 5th. The preferred method of payment is through personal checks, cashier checks and money orders. For security reasons, cash payments are not encouraged and are accepted only in the Finance Office within BHA's central office, with signed receipt provided immediately. A charge will not be assessed for returned personal checks; however, BHA will no longer accept personal checks for payment of rent from residents who have written two (2) bad checks.

Inquiries about rents due and the collection process should be directed to the site management offices. These offices do not accept rent payments. Office hours are Monday through Friday (except holidays), and vary according to location. Specific site office hours are posted at the sites.

Rent payment in full is required by the Housing Authority. BHA does, however, reserve the right to accept partial payments.

The BHA provides residents with a grace period to pay their rent. Residents who have failed to make full payment by 4:30 PM on the fifth (5th) calendar day of each month are considered delinquent. If the fifth (5) calendar day of the month falls on a weekend or holiday, rent will not be considered delinquent until 4:30 PM the next business day. Residents who pay their full rent but fail to pay miscellaneous charges properly due will also be subject to legal action in accordance with their Lease Agreement.

IV. UTILITIES AND MISCELLANEOUS CHARGES

Utilities and quantities of such utilities to be supplied to each resident are included in the resident's monthly rent, with the exception of the Kickham development (33-7) and the Brown Street Condominiums (667-2). Residents of Kickham are responsible for direct payment of electric cooking and lighting services and residents of the Brown Street Condominiums are responsible for payment of their gas for cooking and electric lights. For all federal developments a \$30.00 per year charge will be added to the Total Tenant Payment of residents for each air conditioner installed by the household.

Other miscellaneous charges may be assessed to residents for damages to the premises, equipment therein, development buildings, facilities, or common areas caused by residents, household members, or guests. Normal wear and tear is excepted. A charge list for maintenance repairs and services shall be posted in the Property Office.

V. RENT DISPUTES

Residents of federal developments who wish to dispute the amount of rent or other charges billed may do so through the BHA's Grievance Procedure in effect at the time the

grievance or appeal arises. Copies of the Grievance Procedure are posted in each management office and management staff can assist residents with informally settling the grievance and scheduling any subsequent hearing. BHA enforces the escrow requirements contained in the Grievance Procedure.

Whether or not a tenant chooses to exercise his/her rights under the Grievance Procedure, he/she may present the case in Brookline District Court if BHA initiates legal action.

VI. RESTRICTIONS ON EVICTIONS BASED UPON RENT

The Brookline Housing Authority shall not commence eviction proceedings or refuse to renew a lease based upon the income of the resident family unless:

1. (Federal developments) It has identified, for possible rental by the family, a unit of decent, safe, and sanitary housing of suitable size available at a rent not exceeding thirty percent (30%) or \$50.00 whichever is greater of income as defined by the BHA for the purpose of determining rents; or
2. (State developments) Resident cannot show there to be a hardship that prevents relocation of the household to unsubsidized housing, thus allowing a 6-month exemption, or
3. It is required to do so by local law.

VII. REPAYMENT AGREEMENTS

In extenuating circumstances involving severe hardship situations and in cases of retroactive rent charges, BHA may enter into a "Repayment Agreement" extending the time allowed residents to make full payment of money that is owed. Repayment agreements are made at the discretion of the Housing Authority and shall not exceed six (6) months unless approved by the Director of Management. The BHA is under no obligation to approve and execute Repayment Agreements and does so only as an accommodation to residents.

A court ordered rent repayment agreement, Execution for Judgement, may be imposed by the Brookline District Court, when appropriate. Residents have ten (10) calendar days to appeal an Execution for Judgement. Once a judgement is entered, residents failing to make the required court ordered payments will be subject to eviction actions by BHA.

Other unforeseen circumstances and income disruptions which typically pose financial hardships (e.g., loss of job, permanent discontinuation or reduction in benefits) entitle residents to request an interim reexamination and a rent reduction effective the first of the month following verification of the change. (Therefore, they are not grounds for extending rent payment agreements). Failure to report a decrease in income is not considered a hardship unless a medical reason exists which prevented the resident from reporting the decrease in income.

Residents who need assistance with financial problems may contact their Housing Manager for information and referral to community agencies.

VIII. SUMMARY PROCESS ACTION

Non-payment of rent is considered a serious violation of the Lease Agreement between the resident and the Housing Authority. In all cases, BHA will aggressively pursue collection of the amount of rent due and eviction, if necessary. Action is taken against residents for only the amount of rent due. Collection for any physical damages to the unit is regarded as a separate matter, and is pursued through the Brookline Small Claims Court system. Following is a description of the steps taken and notices issued:

- A Pre-Termination Conference Notice is prepared by the Housing Manager citing the lease violation. The notice schedules the time, date and location of the conference. The notice is mailed to the resident.
- At the Pre-Termination Conference, the Housing Manager and the resident discuss the rent due. If a Repayment Agreement satisfactory to the Housing Manager cannot be negotiated, or if a Repayment Agreement is entered but subsequently defaulted on by the resident, a fourteen (14) day Notice to Quit will be prepared.
- A fourteen (14) day Notice to Quit is prepared by the Housing Manager citing the lease violation and appropriate Massachusetts law, and is served by the local Constable to each delinquent resident.
- The Notice indicates that rent due must be paid in full by a date certain in order for legal action to be discontinued. If a resident offers full payment by this date, the payment will be accepted and no further action taken. Partial payments will not be accepted, unless arrangements are made per Section III of this policy.
- The Notice also indicates that, if by the deadline date, the resident has not:
 - filed a Grievance (federal developments only),
 - paid rent in full, or
 - vacated the unit,

The Housing Authority will proceed with legal action and will assess a fee covering legal expenses for serving a summary process and a filing fee. Legal fees will be added to the total amount due from the resident.

- Once the Notice to Quit has expired, a Summary Process Action is filed with the court to commence legal action. A Summons is hand delivered to the resident by a Constable that requires the resident to make an appearance in court. The case is then heard by the District Court Judge, who will render a decision.
- If the Court rules in favor of the Housing Authority, a judgement is awarded demanding payment by and/or eviction of the resident by a specific date.

- Forcible eviction will occur if the resident does not vacate premises.

IX. DISCONTINUING EVICTION ACTION

The Housing Authority is under no obligation to discontinue eviction once legal action has been initiated. However, it is not in the interest of either party for BHA to proceed with an eviction against a resident who is generally a prompt rent payer and has a positive rent-paying history.

Residents are considered to have a positive rent paying history when they have not been subject to eviction action at any time during a twelve-month period in current calendar year. If eviction action commences against such a resident, BHA will, in accordance with Massachusetts law, accept full payment, plus legal and court costs from the resident within 48 hours of the eviction and reinstate the resident. The Authority, at its sole discretion, will accept full payment, legal and courts cost up to the day of the eviction and reinstate the resident.

Residents are considered to have a negative rent paying history when they have been subject to eviction action three (3) times during the calendar year. If eviction action commences against such a tenant, the Housing Authority will accept, at its discretion, any payments offered "for use and occupancy only" and proceed with the eviction.

Only the Executive Director (or his/her designee) has the authority to discontinue legal action once the process is initiated.

X. RESIDENT EVICTION EXPENSES

Once a legal action has been filed in Court against a resident and the court rules in favor of the BHA, the resident may be subject to payment of constable summary process serving fees and court filing costs.

XI. VACATED RESIDENT DEBT

BHA reserves the right to pursue collection of all amounts properly due from residents evicted or voluntarily vacating BHA premises. The BHA will utilize all available means of collection, including referrals to credit bureaus, collection agencies and other court actions.

XII. UNCOLLECTABLE RESIDENT DEBT / DEBT WRITE-OFFS

On an annual basis, the Executive Director, in consultation with the Director of Finances and the Director of Management will determine which tenants accounts receivable are uncollectable and will expense them off the financial books, subject to the approval of the BHA Board of Commissioners.

XIII. ENFORCEMENT OF THIS POLICY

This Policy is enforced by the staff and legal counsel of BHA, through the administrative grievance procedure (federal developments only) and the Brookline District Court.