BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION FORMER RESIDENT ARREARS POLICY

Aims of the former resident arrears policy

The following are aims of the former resident arrears policy:

- To seek to ensure that ex-residents pay any arrears owing
- To balance taking action to recover former resident arrears with the resources required to recoup them

Delegated Authority

1 The co-op delegates authority to its Chief Executive Officer to decide what action should be taken in relation to former resident arrears and to the Senior Housing Lead to manage the former resident arrears policy, reporting to the chair on any significant actions needed in relation to the policy.

Policy statement

2 The co-op will take appropriate ethically based action on a case by case basis to recoup former resident arrears, balancing the need to recover debt with the costs and resources required to recoup them.

Tenancy termination action

3 The co-op will examine a member's rent account balance as soon as it is known that a tenancy will terminate – either through a member giving four weeks notice or through other means.

4 If a member is in arrears or is likely to be in arrears, the co-op will seek to agree with the departing member how the arrears will be paid. Where the departing member is unable to pay, an agreement schedule will be agreed.

Former resident arrears possible actions

5 If a former resident leaves the co-op owing arrears of rent or other charges including charges for tenant damage or court costs, the Chief Executive Officer will determine what action should be taken, which might include the following:

- tracing the tenant and taking civil legal action against them which may include distraint of goods
- using a debt collection agency to recoup the arrears
- selling the debt to a debt collection agency
- agreeing a deal with the departing tenant that they pay some of the arrears
- recommending debt write off to the committee.

6 The Chief Executive Officer will make their decisions regarding appropriate action dependent on the scale of the debt, ease of tracing the departing member, consideration of whether with any money judgement that the ex-member is likely to be able to pay off the debt, and a cost/benefit analysis of taking any actions other than debt write off.

Deceased members

7 Where a member dies leaving rent arrears, the Chief Executive Officer will determine whether it is appropriate to seek payment of the arrears from any beneficiaries or to recommend debt write off to the committee.

Rehousing residents with former arrears

8 The co-op will usually only provide a home to an ex-member if they agree to pay any former rent arrears they owe. The co-op will only permit an existing co-op member to become a joint tenant with an ex-member who left owing rent arrears if they repay the debt. The Chief Executive Officer may consider extenuating circumstances where either a home is provided to an ex-member who left with arrears or that an ex-member becomes a joint tenant with an existing member where an

agreement is made that the former debt becomes arrears in the new tenancy.

Potential risks to be avoided

- Loss of significant amounts of income from former resident arrears
- Expending significant financial and time resources into recouping debts where it will be possible to recoup only a small amount of the debt.