

RENT COLLECTION POLICY

OF THE



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HOUSING AUTHORITY OF TRAVIS COUNTY

RENT COLLECTION POLICY

I. POLICY STATEMENT

This policy is adopted by the Housing Authority of Travis County (HATC) and applies to all residents in non-subsidized and federally-subsidized housing. It addresses how residents must pay their monthly rent, how and when late charges are applied and the consequences of late payment or non-payment of rent due. This policy is consistent with the HUD Handbook 4350.3, Rev-1: Occupancy Requirements of Subsidized Multifamily Housing Programs, Texas Department of Housing and Community Affairs (TDHCA) regulations, Federal Deposit Insurance Corporation (FDIC) Affordable Housing Program (AHP), HUD Model Lease (90105) for Subsidized Housing Programs and HATC policies and procedures. HATC is committed to enforcing this policy per Fair Housing Laws and the Affirmatively Furthering Fair Housing Act (AFFH).

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

- Maintain HATC resident accounts at a delinquency rate no more than 5%.
- Clarify for HATC residents and staff, the housing agency's policy concerning rent collection.
- Establish a Repayment Agreement or retroactive rent charges procedures.
- Streamline and simplify HATC's eviction and legal process.

Rent is due on the 1st of each month. The Housing Authority of Travis County will grant all residents a 4 day grace period without penalty per your lease. **We will make no exceptions to this policy.**

The following is a timeline for our collection process which may be changed due to holidays or weekends without notice.

1st of the Month RENT IS DUE

2nd of the Month RENT IS DUE/1ST DAY OF GRACE PERIOD

3RD of the Month RENT IS DUE/2ND DAY OF GRACE PERIOD

4RD of the Month RENT IS DUE/3RD DAY OF GRACE PERIOD

5RD of the Month RENT IS DUE/4TH DAY OF GRACE PERIOD

6TH of the Month LATE FEES BEGIN

14 Day Notice-to-Vacate (NTV) will be delivered to your door-

The 14 Day NTV is a legal notice to inform the resident that if rent remains unpaid within 14 days from the due date, The Housing Authority of Travis County will file an eviction on all household occupants. Additionally, the notice allows the resident to avoid an eviction by

voluntarily moving before court papers are filed.

An eviction is a legal petition to the court to grant possession of the unit. An eviction will remain on a resident's rental history regardless of debts paid or not.

21st of the Month: An eviction will be filed and court papers will be delivered to the resident's address, by an officer, requesting you to attend court.

The resident will be charged all eviction court costs and attorney fees (if applicable).

Once a judgment to proceed with the eviction is granted to HATC, the resident will have 5 days to remove all belongings from the unit. If all items aren't removed after 5 days, a WRIT of Possession will be filed. The Writ of Possession is a forcible retainer which allows HATC to legally remove all belongings from the unit and place them on the street. The court cost for the Writ of Possession will be charged to the resident's account.

II. MONTHLY RENT

Per state and federal regulatory guidelines, residents of federally subsidized developments are charged 30% of their monthly adjusted income for rent. Adjusted income is calculated by deducting allowable expenses, such as childcare and medical, as well as deductions for dependents and elderly households from reported gross family income. Eligibility for specific allowances depends upon the resident's circumstances.

Rents for Manor Town Apartments are set by the Rent Comparability Study (RCS) conducted annually by HATC staff; additionally, the same rents are limited by state rent and income maximum limits published annually by the TDHCA.

Rents for Carson Creek Homes are limited by rent and income limits published annually by the Monitoring Data Services, Inc. (MDSI).

III. RENT PAYMENTS

Rent payments are accepted in the following manner: (1) mail to HATC 502 E. Highland Mall Blvd., Ste. 106-B, Austin, TX. 78752; or (2) paying in person at the main office located at the aforementioned address; or (3) by online payment at the agency's website located at www.hatctx.com. Supportive agencies that desire to pay on behalf of a resident may mail, email, or hand-deliver the payment to HATC Administration Office at the aforementioned address.

Rent is due and payable on the first of each month; consequently, if the resident fails to pay all or any part of the rent within five (5) days of the due date, HATC will consider the unpaid rent delinquent and issue a Notice-To-Vacate.

Residents are allowed to discuss the reason for the delinquent or late payment.

Inquiries about rents due and the collection process should be directed to the Affordable Housing staff at (512) 854-8245. Office hours are Monday through Thursday from 8 a.m. until 5 p.m. On Fridays, office hours are from 8 a.m. until 12 p.m. The site management offices are not staffed and do not accept rent

payments, but rent payments can be placed in the site office drop box during the first five days of the month.

Rent payment in full is required by HATC, however, we reserve the right to accept partial payments.

I. LATE AND INSUFFICIENT FEES

Rental payments are due and payable on the 1st day of each month. Charges will be imposed for failure to pay the monthly rent on or before the 6th of the month. Also when there are insufficient funds in the resident's account to cover checks or direct debit, insufficient fund fees will be assessed. Late Fees and Insufficient Fund Fees are due and payable on the 1st day of the month immediately following the month in which the fees are incurred.

1. Late Fee –

Late fees are assessed on the 6th day after rent is late. A fee of \$5.00 is assessed for each day the rent remains unpaid for a maximum of \$35.00.

2. Insufficient Fund Fee –

An insufficient fund fee of \$35.00 will be assessed by HATC following the HUD Model Lease for Subsidized Programs.

II. MISCELLANEOUS CHARGES

Other miscellaneous charges may be assessed to residents for damages to the dwelling unit, appliances, and other equipment, development buildings, facilities, or common areas caused by residents, household members, or guests. Normal wear and tear are expected. Where damage is caused by a perpetrator of domestic violence (and that person does not live in the unit or is removed from the unit), the resident will not be charged for such damage.

Residents will be notified in writing of such other miscellaneous charges and the right and procedure to request a grievance hearing to contest said charges.

III. RENT DISPUTES

Residents who wish to dispute the amount of rent or other charges billed may do so through HATC Grievance Procedure in effect at the time the grievance or appeal arises. Copies of the Grievance Procedure are posted on our website as a part of the Resident Selection Plan for Family Sites.

Pursuant to Texas Property Code Chapter 92 and HATC HUD Model Lease for Subsidized Programs, residents residing in federally subsidized units are not provided an opportunity for a grievance hearing in

the event of nonpayment of rent but they are provided the opportunity for a grievance hearing if they dispute the rent calculation

IV. REPAYMENT AGREEMENTS

When a resident owes money to HATC and is unable to pay the balance by the due date, the resident may request that HATC allow him or her to enter into a payment agreement. HATC has sole discretion of whether to enter into such an agreement.

To enter into a payment agreement allowing the resident to pay their outstanding debt in monthly installments, the resident must be in good standing with HATC and the debt amount must be \$2000 or less. To be in good standing, a resident must not have any other outstanding debts related to an existing payment agreement and must comply with the lease. No request for a second payment agreement will be considered until the first payment agreement is satisfied. If the amount owed is greater than \$2000, a payment agreement may only be entered into with the Executive Director's approval.

A resident's lease may be terminated unless the resident: 1. Pays the debt in full; or 2. Enters into a payment agreement based on HATC's payment schedule listed below. The resident will be billed in monthly installments beginning the 15th of the month following the resident agreement date approved by Management. Payments are due, in full, each month thereafter until the balance owed reaches \$0. A late or partial payment is considered a missed payment. If payment is not received according to the payment agreement terms, the total amount owed becomes due immediately. The balance of the debt must be paid in full or the resident's lease will be terminated. Any exceptions to the guidelines specified above must be approved by the Executive Director.

The length of the payment agreement is determined by the amount of debt as follows: Less than \$1000 may be paid over 6 months \$1000-\$2000 debt will be payable over 1 year.

All repayment agreements must be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the resident to eviction procedures.

V. EVICTION PROCESS ACTION

PROCEDURE FOR NONPAYMENT

When payment in full is not received, a 14-day Notice-To-Vacate letter shall be mailed to the resident on the 6th day of the month, or at a later date as may be applicable because of holidays or weekends. A 30-day Notice-To-Vacate will be issued for all other delinquent charges. Notices will be delivered by U.S. Mail to the resident whose account is delinquent.

VIII. LEGAL PROCESS FOR NON-PAYMENT OF RENT

A. Upon expiration of the Notice-To-Vacate period, an eviction shall be filed in the appropriate Justice of the Peace court.

B. At the eviction hearing before the Justice of the Peace, the complaint shall be amended to incorporate any

additional rent, special charges, late fees, insufficient funds fees, and legal fees which have become due.

C. HATC will proceed with eviction according to the Texas Property Code Chapter 92.

IX. EVICTION FOR CHRONIC LATE PAYMENT

The HUD Model Lease states that payment of rent received after the 6th day of the month is delinquent. The lease also provides that repeated late payment of rent will be considered as material noncompliance of the lease and therefore a basis for eviction.

“Repeated Late Payment” is defined as a resident being issued a 14-day notice on three (3) occasions during any twelve (12) consecutive month period.

X. APPLICATION OF RESIDENT PAYMENT

Payments received from the resident shall be applied to the resident’s account balance. Such payments will be applied to various types of charges on the resident’s account in the following order of priority:

1. Any balance remaining from a JP court judgment.
2. Court costs and legal fees.
3. Late charges and insufficient funds fees.
4. Other charges for maintenance and repair, extermination or any other charge imposed by HATC allowed under Texas Property Code Chapter 92.
5. Retroactive rent payment due to underreporting or failure to report.
6. Delinquent rent covered by a repayment agreement.
7. Current rent.

If two or more charges exist from the above-listed causes, payment shall be applied to the oldest debt first.

XI. APPLICATION OF CREDIT BALANCES

Credit balances will be applied against future charges as they become due and payable.

XII. DISCONTINUING EVICTION ACTION

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

XIII. RESIDENT EVICTION EXPENSES

Once the court rules in favor of HATC, the resident may be subject to payment of eviction cost, writ of possession fees and court filing cost associated with the eviction process.

XIV. VACATED RESIDENT DEBT

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

XV. UNCOLLECTABLE RESIDENT DEBT / DEBT WRITE-OFFS

On an annual basis, the Executive Director, in consultation with the Director of Finance and Director of Affordable Housing Program will determine which resident accounts are uncollectable and will expense them off the financial books, subject to the approval of the HATC Board of Commissioners.

XVI. ENFORCEMENT OF THIS POLICY

This Policy is enforced by the staff and Legal Counsel, through the administrative grievance process, of the Justice of the Peace Court.

APPENDIX A: Request for Repayment Agreement

Name: _____

Address: _____

Date: _____

Amount of repayment agreement request: _____

Proposed length of time for repayment: _____

Proposed monthly payments until satisfied: _____

Reason for request: _____

I understand that HATC has the sole discretion of whether to enter into this payment agreement. I further understand that I am responsible for the full amount due and that should I default in making regular and timely payments as agreed upon, that immediately: 1. the full amount owed is due, 2. my tenancy may be terminated.

Tenant: _____ Date: _____ Co-Tenant: _____ Date: _____

.....
For Management Completion Only:

Tenant complies with the lease. Yes No

Tenant is in a current payment agreement. Yes No

The amount is over \$2000. Yes No

If over \$2000, the request must be approved by the CEO/Executive Director

Approved for payment agreement: Yes No

Property Manager: _____ Date: _____

APPENDIX B: Repayment Agreement

I, _____, and I, _____ do hereby agree that I owe HATC of Travis County the amount of _____, as a result of my occupancy at _____.

A payment in the amount of _____ will be due each month until the balance is paid in full. My monthly payment will be due on the 15th day of the month and the first monthly payment will be due and payable on _____. Payments made after the 15th day of the month will be considered delinquent.

I have read the policy statement below and understand that my failure to abide by this Repayment Agreement will result in the actions listed.

WITNESS BY MY SIGNATURE this _____ day of _____, 20____.

Signature _____ Witness: _____

Repayment Agreement Policy

HATC of Travis County (HATC) may at any time terminate the tenancy of a resident for non-payment of monies owed HATC. HATC will advise residents in writing of its intent to terminate the tenancy due to monies owed under the conditions specified in the rental agreement.

When a tenant owes money to HATC and is unable to pay the balance by the due date, the resident may request that HATC allow him or her to enter into a payment agreement. HATC has sole discretion of whether to enter into such an agreement. Current monthly rent and recurring monthly charges are not eligible for a Repayment Agreement.

To enter into a repayment agreement to allow, the tenant must be in good standing with HATC and the debt owed must be \$2000 or less. "Good standing" is defined as having no other outstanding debts related to an existing repayment agreement and must comply with the lease. No request for a second repayment agreement will be considered until the first repayment agreement is satisfied. If the amount owed is greater than \$2000, a repayment agreement may only be entered into with the Executive Director's approval.

A resident's lease may be terminated unless the resident:

1. Pays the debt in full; or
2. Enters into a repayment agreement based on HATC's repayment agreement.

Payments are due, in full, each month thereafter until the balance owing reaches \$0. A late or partial payment is considered a missed payment. If payment is not received according to the payment agreement terms, the total amount owed becomes due immediately.

The balance of the debt must be paid in full or the resident's tenancy will be terminated. Any exceptions to the repayment agreement must be approved by the Executive Director.

All repayment agreements must be in writing and signed by all parties. Failure to comply with the repayment agreement terms may subject to HATC eviction procedures.