

# Hugh Garner Housing Co-operative Inc.

## ARREARS BY-LAW (BY-LAW 24)

(A By-law to replace By-law 6, *Finance Administration* Article 3 and amend By-law 11, the *Occupancy By-law* Article 3.1 c)

### Introduction

Each member is responsible for paying their housing charge on time.

#### 1. Payment of Monthly Charges

Housing, cable and parking charges are due in full on the first day of each month.

- a) Members can pay by cheque, preauthorized payment or money order. The Co-op does not have to accept cash. Post-dated cheques or Pre-authorized Payments for a date other than the 1<sup>st</sup> day of the month will result in the member being in arrears.
- b) Each household is encouraged to give the Co-op postdated cheques (dated for the 1<sup>st</sup> of each month) for the current year at move-in and at the beginning of the Co-op's fiscal year.
- c) Any payment not received by 5:00 p.m. on the first day of the month is late, and the member is therefore in arrears (*amend By-law 11, Article 3.1 c*).
- d) Members who pay late will normally have to pay a late fee. The amount of the fee will be set from time to time by the members at a general meeting.
- e) If a household's cheque is returned unpaid by the bank or credit union, the household must pay a returned cheque fee. The amount of the fee will be set from time to time by the members at a general meeting. The household must also pay any bank or credit union charges to the Co-op.
- f) If a household has more than one cheque returned unpaid by the bank or credit union within a 6-month period, the household must pay the housing charge by either money order or certified cheque for at least 6 months.
- g) If a household is in a Payment Agreement and 1 cheque is returned unpaid by the bank or credit union then the household is in default and will be referred to the Board.

- h) The Board will set procedures from time to time for sending reminders to members and collecting unpaid accounts. The procedures will be carried out by Administrative Staff.

## **2. Arrears**

- a) Arrears are any amounts owing to the Co-op that have not been received when due. Arrears include returned cheques and related charges.
- b) The co-op may use Small Claims Court or a collection agency to recover any arrears that remain after move-out.

## **3. Arrears Committee**

- a) The Arrears Committee consists of 2 members appointed from the Board of Directors and 2 members appointed from the Finance Committee
- b) The purpose of the Arrears Committee is to administer the Arrears By-law.
- c) The Arrears Committee will meet every month. It will give an arrears report to the board every month.

## **4. Arrears Payment Agreement**

- a) Members in arrears must fill out and sign an arrears payment agreement and schedule. See attached Schedule A: Agreement Respecting Arrears.
- b) The minimum monthly arrears payment is \$25.00.
- c) Administrative staff may make an agreement with members for the full payment of arrears within 3 months.
- d) If a member wants an agreement for full payment of arrears in more than 3 months but less than 6 months, the member(s) will be referred to the Arrears Committee.
- e) If a member wants an agreement for full payment in more than 6 months, the member will be referred to the Board.
- f) If a member fails to make the agreed installment on their arrears payment plan (default), then the member(s) will be referred to the Board of Directors upon default. The member will not have to meet with the Board of Directors if they pay the total arrears prior to the meeting.

## 5. Late Payment and Charge Back Notices

- a) No later than the third business day of the month (with the 3<sup>rd</sup> day of the month preferred), Administrative staff will send a notice to all members who:
- have not arranged for a late payment and
  - have not paid their housing charge by the due date.

This notice will contain the following information:

- the member is currently in arrears.
- the payment is late, and there is a late fee for late payment of a housing charge.
- if the payment or a Payment Agreement is not made within 48 hours the member will have to attend the next Arrears Committee meeting.

- b) No later than the sixth business day of the month, Administrative staff will prepare a second notice to all members who:
- have not signed a Payment Agreement or
  - have not made full payment of arrears

This notice will contain the following information:

- the member must attend the next Arrears Committee meeting. This notice will be in the form of the Notice to Appear that is part of the Occupancy By-law of the Co-op. The notice must include the date of the Arrears Committee meeting and the time the member(s) must appear at the meeting. The notice will be sent to the member at least 10 days prior to the Arrears Committee meeting.
- the member(s) need not attend the Arrears Meeting if they make their payment before the Arrears Committee meeting

Administrative staff will sign the Notice of Appear and deliver the notice as set out in the Co-op's By-laws.

- c) Administrative staff will send a notice to all members whose cheques have been returned to the Co-op due to insufficient funds (N.S.F.).

This notice will contain the following information:

- there is an administrative fee for the charge back of a housing charge.
- if the total arrears is not paid or a payment plan signed within 48 hours the member will be required to appear at the next Arrears Committee meeting
- this notice will be in the form of the Notice to Appear that is part of the Occupancy By-law of the Co-op. The notice must include the date of the Arrears Committee meeting and the time the member(s) must appear at the

meeting. The notice will be sent to the member at least 10 days prior to the Arrears Committee meeting.

- the member(s) need not attend the Arrears Meeting if they pay arrears in full or make a payment agreement before the Arrears Committee meeting

Administrative staff will sign the Notice of Appear and deliver the notice as set out in the Co-op's By-laws

## **6. Payment of Members Deposit**

- a) The member deposit is due prior to moving into the co-op.
- b) Members may pay their deposit updated by instalments. They must sign a payment agreement with a schedule of no more than 6 payments.

## **7. Expected Arrears**

Some members may expect that they will be unable to pay the next month's housing charge. If so, they may meet Administrative staff to fill out and sign an Arrears Payment Agreement. If this is done prior to the 1<sup>st</sup> of the month there will be no late payment charge.

Some examples of the circumstance above would be a family emergency, interruption in income etc. This is not intended as a method for a member to repeatedly arrange to pay later than the 1<sup>st</sup> of each month. A maximum of 3 Arrears Payment Agreements will be allowed in each fiscal year. As these agreements are intended for unforeseen circumstances, they can only be negotiated and signed one at a time.

## **8. Other**

If members with post-dated cheques in the office ask to have their cheques either returned (that is, "to pull" their cheques) or have the deposit delayed, this request must be in writing. In both these cases the member will be charged a late payment charge and be considered in arrears if this is done after the 1<sup>st</sup> of the month the housing charge is due.

*Approved by the Board of Directors:*

*August 9, 2001*

*Approved by the General Members:*

*August 28, 2001*