

Fairlea Park Housing Co-operative Inc.

By-law # 37

Arrears By-law

This By-law replaces previous By-law(s) # not applicable

This By-law contains the rules that members must follow when paying money to the Co-op.

Article 1: General

- 1.1 The Co-op provides housing for its members at cost. Members are responsible for paying their fair share of the costs promptly, as charges become due.
- 1.2 The Co-op Manager will handle arrears cases by following this Arrears By-law and, when necessary, by sending arrears cases to the Board.

Article 2: Payments and Charges

- 2.1 Payment must be made by cheque, Electronic Funds Transfer (EFT) or money order. The Co-op will NOT accept cash.
- 2.2 Cheques for payment of housing charges and any other amount owing to the Co-op should be delivered to the Co-op office by the end of the last day of the month prior to which the charges apply. Cheques should be post-dated to the first day of the month.
- 2.3 Payment of housing charges will be considered late if not received by 11:59 p.m. on the last day of the month prior to which the charges apply. Cheques returned by the member's financial institution will be considered late. Members who will pay late must contact the office in advance so that arrangements can be made to defer payment.
 - A) For the first late payment in the fiscal year, the household shall receive a notice in writing and a \$25 fine.
 - B) For the third or more late payments in a fiscal year, the household shall be asked to come before the Board and shall receive a \$25 fine.
 - C) If a household is late two months in a row and has not paid any outstanding late payments, the household shall receive a "Notice to Appear" before the Board of Directors and a \$25 fine.

- D) Payments not received on time by the Co-operative are subject to late payment charge for each month that the member is in arrears and has not signed a repayment agreement with the Co-op.
 - E) The Co-op may waive late payment fines in situations where the late payment has been proven to be beyond the member's control and the member has made a written request for the fine to be waived. Such situations shall include, but not be limited to: hospitalization; sudden loss or substantial reduction in income; financial institution error; move-in after the first business day of the month; inability to complete a housing charge assistance application form before the first business day of the month; death of a family member; or unexpected change in household composition.
- 2.4 Any other money owed to the Co-op that has not been received when due will be considered arrears.
- 2.5 Except as provided in article 2.6, if a member's cheque to the Co-op is returned "NSF" by the bank or credit union, the member will be required to pay a service charge.
- A) Fines for NSF payments are set at \$6 plus the \$25 late fee.
 - B) Any households with more than one NSF cheque or pre-authorized payment in a single year shall pay all housing charges and fees with certified cheques or money order for the next twelve months.
- 2.6 If a member's cheque is returned "NSF" because of a bank or credit union error and the member can verify to the Co-op's satisfaction that he or she was not at fault, the service charge in article 2.5 will be waived.
- 2.7 The manager shall make a monthly report to the Board of Directors. This report shall include:

- A) Information on all households who have made late payments on two or more occasions in the current fiscal year. This report will use assigned household numbers and not member name(s) nor their address.
- B) Recommendations on action to be taken against households in arrears, the dollar amount of the total arrears, the total number of units in arrears as well as the change in these two amounts from month to month.
- C) The manager will include the number of fines that have been waived and the reasons for the requests in the monthly report.

2.8 The Board may terminate a member's right to occupy a unit in the Co-op according to the Occupancy By-law if the member is in default of or has been repeatedly late in payment of monthly charges or other charges payable under the articles or by-laws of the Co-op.

Article 3: Performance Agreements

Members in arrears must sign and abide by a Performance Agreement. The guidelines of the Performance Agreement are found in Appendix A which is also part of this bylaw.

- 3.1 The manager is authorized to sign repayment agreements with members in accordance with Schedule 1. The manager will report to the Board of Directors on any agreements that have been signed.
- 3.2 Only one repayment agreement in a 2-year period is acceptable. In a situation where there is cause for a new or revised repayment agreement, the member will receive a "Notice to Appear" before the Board of Directors. By the date of this meeting with the Board of Directors, the arrears must be paid in full. Failure to pay the full amount may result in a "Termination of Occupancy Agreement" (eviction).
- 3.3 Members referred to the Board more than once in a 2-year period will be required to sign and complete a two (2) year performance agreement requiring that they continue to honour the dates established for payment.

PASSED by the Board of Directors and sealed with the corporate seal of the Co-op on

July 2nd, 2014.

President

(corporate seal here)

Secretary

CONFIRMED by at least two-thirds of the votes cast at a General Meeting of the
Members on March 1, 2015.

President

(corporate seal here)

Secretary

Schedule 1: Schedule of Repayment of Arrears:

Amount of Arrears	Time period to complete Repayment
\$ 0.00 - \$500	30 days
\$501 - \$1000	60 days
\$1001 - \$2000	90 days
\$2001+	120 days

This schedule does not include payment of unit deposits, which is done over a maximum of one year as per the Occupancy Bylaw.

Appendix A : Requirements of a Performance Agreement

A performance Agreement must state:

1. The total amount owing
2. The reason the Performance Agreement is required
3. Payment Schedule
4. Any Violation of these agreements could result in collections & eviction
5. All payments will be made either by certified cheque or money order
6. Any further arrears, missed payments, late fees, or NSF charges will be considered a violation and conditions for eviction by the board
7. Late Payment Fines will be calculated monthly until agreement is arranged and signed.