



Rent Arrears Policy

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1. Purpose

To ensure that any financial losses to Eastern Suburbs Rental Housing Co-operative (ESRHC) from rent arrears is minimised.

2. Basis for Policy

As ESRHC is entirely dependent on rental income for its survival, it is essential arrears and bad debt write offs as a consequence of non-collection of rent is minimised.

ESRHC recognises that there needs to be a balance between supporting members in financial difficulty and the financial viability of the Co-operative. ESRHC also recognises that its members are predominately long-term members with a history of meeting rental obligations despite occasionally falling into arrears.

Accordingly, flexibility in handling rental arrears is an essential part of the implementation of this policy.

3. Policy and Procedures

3.1 Members to notify the Manager

Any member who is aware that they are in or are about to fall into arrears must contact the Manager as soon as possible.

3.2 Two weeks (14 days) or more in arrears

Any member who is two or more weeks in arrears and who has not already contacted the Manager shall be contacted by the Manager to determine the reasons for the arrears and to make immediate arrangements to rectify the arrears.

Contact with members may be by letter, email, telephone or personal contact.

3.3 Arrears agreements

If a member is experiencing financial difficulties and cannot make immediate payment of the arrears, the member will be sent a letter requesting they enter into a written agreement to pay off their arrears.

(These members should also be encouraged to facilitate a direct debit either with their bank or through Centrelink).

3.4 Failure to enter written agreement or breach of agreement

If no reply is received within fourteen (14) days of a request to enter into a formal agreement, or a member breaches an existing written agreement, a final warning will be sent to the member.

3.5 Notice to vacate

At the next Board Meeting arrears actions and results shall be discussed. Any member who has not replied or has refused to enter into an agreement shall be sent a Notice to Vacate by registered mail and steps will be taken to arrange a formal hearing at VCAT.

Notice to Vacate must specify a termination date that is not less than fourteen (14) days after the date on which the notice is given.

3.6 One agreement only except in case of extreme hardship

Unless under extreme hardship, there will be only one agreement at any one time and if that agreement is broken without prior consultation, the Board of Directors will implement the eviction process.