

Rent Arrears Policy

Introduction

Housing associations depend on the rent collected from their tenants as their main source of income. This income allows for the delivery of an effective and efficient housing management and maintenance service therefore it is important that policies and procedures are in place to keep the level of rent arrears to a minimum.

Key principles

The rent arrears policy should state the intention of the housing association to:

- Maximise the rental income, in line with the rent collection policy, in order to meet financial obligations;
- Prevent rent arrears where possible by providing tenants with appropriate advice and assistance;
- Adopt a firm but fair approach where arrears do accrue which is applicable to all tenants;
- Assist tenants in arrears to help prevent their debts from becoming unmanageable;
- Use eviction as a last resort.

Guidance on Recovery of Rent Arrears

The housing association should set out actions when rent arrears occur (from the first missed payment) and a timetable for taking such actions.

Rent accounts should be monitored regularly to identify arrears as soon as they arise. Where a joint tenancy is held, the tenants will be treated as jointly responsible for rent arrears.

It is recommended that after one missed rent payment, early contact is made with the tenant (via letter) to remind them of the amount outstanding. This letter should be in plain English and issued one week following the rent due date.

If the tenant fails to bring the rent account up to date or fails to make contact, the housing association should make personal contact with the tenant within two weeks of the account going into arrears. At this point, the cause (s) of arrears should be identified with the tenant and methods discussed to repay the debt.

The housing association should ensure that the tenant is aware of their social welfare entitlements and is referred to relevant agencies such as the Money Advice and Budgeting Service (MABS) and the Citizens Information Service.

The housing association and the tenant should decide on a realistic repayment schedule to ensure that rent arrears can be paid back in a way that does not put undue financial pressure on the tenant.

Notice to Quit

The housing association should only issue a Notice to Quit (NTQ) as a last resort. If no rent has been paid for eight weeks, and it is clear that the level of rent arrears will continue to accrue with no likelihood of debt reduction, the housing association can take steps to repossess the property by issuing a Notice to Quit. Once a NTQ has been issued, rent will no longer be collected.

Policy Title:	Rent Arrears
Date policy discussed and agreed by Board:	
Review Date:	
Signed by Chairperson on behalf of the Board:	

..... Housing Association has adopted the following principles in relation to rent arrears:

- Maximise the rental income, in line with the rent collection policy, in order to meet financial obligations;
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