

## **REPAYMENT POLICY**

### **Family Debts to DHC**

Any amount owed to DHC by a family must be repaid. If the family is unable to repay the debt within 30 days, DHC will offer to enter into a Repayment Agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a Repayment Agreement, or breaches a Repayment Agreement, DHC will terminate the family's tenancy in accordance with the policies in Chapter 13. DHC may also pursue other methods of collection.

### **Other Collection Methods**

When a family refuses to repay monies owed to DHC, DHC may utilize all available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

### **Guidelines for Repayment Agreements**

A Repayment Agreement as used in this ACOP is a document entered into between DHC and a resident who owes a debt to DHC. If the amount owed is no more than \$5,000.00, DHC may enter into a Repayment Agreement with a resident who is in good standing regarding all other lease provisions and who has not entered into more than three (3) Repayment Agreements with DHC within the last 36 months.

A payment will be considered to be in arrears if the payment has not been received by the 10th calendar day following the date on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day. If the family's Repayment Agreement is in arrears more than once in a 12-month period, DHC will require the family to pay the balance in full. Failure to pay as required will be cause for termination of the lease.

Families that are under an active Repayment Agreement with DHC will not be subject to late fees as long as the family remains current on the Repayment Agreement.

If the family requests a transfer to another unit and has a Repayment Agreement in place and the Repayment Agreement is not in arrears, the family will be permitted to move subject to the satisfaction of all other requirements of this ACOP relative to transfers.

Repayment Agreements will be executed between DHC and the head of household and spouse or co-head of household. If the head of household or co-head moves and there

is a remaining adult family member in the unit who, in DHC's determination, can enter into a lease with DHC, DHC may terminate the Repayment Agreement with the former head of household and offer a new Repayment Agreement to the new head of household. Regardless of whether or not a new Repayment Agreement is offered, the new head of household will be responsible for paying the remaining outstanding debt owed to DHC by the former head of household.

### **Multiple Repayment Agreements Not Allowed**

A family may not have more than one (1) Repayment Agreement with DHC at a time.

### **Down Payment Requirement**

DHC offers two types of Repayment Agreements:

- A 24month agreement which requires a payment of 25% of the balance due at the time the resident signs the Repayment Agreement; or
- A 12month agreement which does not require a down payment.

The balance due under both Repayment Agreement plans shall be paid in equal monthly payments.

If the family can provide evidence satisfactory to DHC that a maximum down payment of 25 percent would impose an undue hardship, DHC may, in its sole discretion, require a lesser percentage or waive the requirement.

The maximum length of time DHC will enter into a Repayment Agreement with a family is twenty-four (24) months. DHC may adjust an existing Repayment Agreement by canceling it and entering into a new agreement for a resident whose total tenant payment (TTP) becomes \$50.00 or less during the term of the Repayment Agreement and whose outstanding balance is \$500.00 or less. DHC will not adjust a Repayment Agreement for a family that has executed three (3) Repayment Agreements within a 36-month period.

A second or third Repayment Agreement must be for a good cause reason as defined in this ACOP. Examples of good cause reasons for entering into a second or third Repayment Agreement include, but are not limited to, the following: death of immediate family member, i.e., mother, father, son, daughter, husband, wife, household member, grandmother, grandfather, sibling, loss of earned income, and other circumstances as approved, in writing, by the Executive Director or designee.

### **Payment Thresholds**

The down payment as well as the monthly payment cannot exceed 40% of a family's monthly income. If a family is paying less than 40 percent of its monthly adjusted income (MAI) in rent, the minimum monthly payment amount will be the greater of the following two amounts:

The difference between 40 percent of the family's MAI and the total family share at the time the Repayment Agreement is executed.

If a family can provide evidence satisfactory to DHC that a monthly payment amount of \$25 would impose an undue hardship, DHC may, in its sole discretion, require a lower monthly payment amount.

If the family's income increases or decreases during the term of a Repayment Agreement, either DHC or the family may request that the monthly payment amount be adjusted accordingly.

Repayment Agreements that exceed 40% of a person's income will be extended in one-month increments until the person's payment does not exceed 40% of a person's income.