

# **SPOKANE INDIAN HOUSING AUTHORITY COLLECTION POLICY**

**Amended by the Board of Commissioners  
On May 8, 2000**

**I. PURPOSE OF THE COLLECTIONS POLICY**

**A. The Collections Policy has several purposes:**

- 1. To provide a standard policy which will enable the Housing Authority staff to administer the programs consistently and fairly.**
- 2. To provide a training document for newly hired staff.**
- 3. To provide answers to program questions which are beyond the scope of the Federal Regulations.**
- 4. To provide Housing Authority clients and other members of the public with a basis for Housing Authority decisions.**

**B. The Collections Policy covers the following housing programs.**

- 1. The Rental Housing Program, under which occupants lease units for an initial term acceptable to the Housing Authority and the tenant, followed by a month-to-month tenancy.**
- 2. The Mutual Help Homeownership Program, whereby a homebuyer enters into an agreement with the Housing Authority which creates an opportunity for the family to eventually purchase the home.**
- 3. The Homebuyer Opportunity Program, whereby a homebuyer enters into an agreement with the Housing Authority which creates an opportunity for the family to eventually own the home.**
- 4. Spokane Indian Housing Authority financed homes that the homebuyers are making their monthly payments directly to the housing authority.**

**C. The Collections Policy can only be amended by the Board of Commissioners of the Housing Authority.**

**D. If any provision of this Collections Policy conflicts with Federal Regulations, the Federal Regulations shall prevail.**

## II. GENERAL STATEMENT OF PHILOSOPHY

Becoming delinquent in payments is assumed to stem from a participant's decision to accord a higher priority to expenditures other than housing. The critical nature of housing for the well-being of a family merits giving housing payments a priority claim on family income over almost any other type of expenditure. Participants who are allowed to become delinquent usually cannot muster the financial resources or flexibility to catch up on their delinquencies and pay the current payment as well.

A participant who makes his or her payments promptly and in full is more likely to have a higher regard for the housing unit, maintain it in satisfactory condition, and cooperate with other families and with the Authority in building and maintaining a strong community. If the Authority allows a participant generosity or failure to enforce collection, the participant is not really helped, but is hindered.

The Authority relies upon collections to pay operating expenses and maintain services. Those participants who regularly make their payments are negatively affected by those who do not. For these reasons, the Authority cannot permit delinquencies in housing payments.

## III. CALCULATION OF RENT OR REQUIRED MONTHLY PAYMENT

### A. Rental Housing Program

1. The total tenant payment shall be the highest of the following, rounded to the nearest dollar:
  - a) Thirty percent (30%) of the tenant's monthly adjusted gross income;
  - b) Ten percent (10%) of gross monthly income; or,
  - c) The monthly portion of such payments the family receives from a public agency which are specifically designated to meet the family's housing costs. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

**B. Mutual Help Program**

**1. Establishment of Charge**

- a) Each homebuyer shall be required to make a monthly payment as determined by the Authority and approved by HUD. The minimum monthly payment shall equal the administration charge.
- b) Each homebuyer shall pay an amount of required monthly payment computed by multiplying adjusted income by fifteen percent (15%), and subtracting from that amount the utility allowance determined for the unit, subject to the requirement for payment of at least the administration charge.
- c) The monthly payment shall not exceed the monthly debt service amount plus the Administrative Fee, shown on the homebuyer's purchase price schedule.
- d) If the required monthly payment exceeds the administration charge, the amount of excess shall be credited to the homebuyer's monthly equity payments account.

**2. The Administration Charge is the per unit amount budgeted by the Authority for monthly operating expenses covering the following categories:**

- a) Administrative salaries, payroll taxes, etc.; travel, postage, telephone, office supplies; office space and related maintenance and utilities; general liability insurance or risk protection costs; accounting services; legal expenses; and operating reserve requirements.
- b) General expenses, such as premiums for fire and related insurance, payments in lieu of taxes and other similar expenses.

**3. Adjustments to Required Monthly Payment**

- a) The Authority shall increase or decrease the amount of the Required Monthly Payment to reflect changes in adjusted income, adjustments in the administration charge, or in any of the other factors affecting computation.

- b) In order to accommodate wide fluctuations in required monthly payments due to seasonal or other conditions, the Authority may agree with the homebuyer for payments to be made in accordance with a seasonally adjusted schedule which assures full payment of the required amount for each year.

C. Homebuyer Opportunity Program and SIHA Financed Homes

1. Establishment of monthly payments and all related information is listed in the Homebuyer Opportunity Agreement (HOA) or SIHA Financed Homes payment agreements.

IV. PAYMENT OF RENT OR HOMEBUYER PAYMENTS

- A. All payments are due and payable on or before the FIRST calendar day of each month. The Housing Authority will consider payments made by the fifteenth day of each month to be timely. Payments made on the sixteenth (16<sup>th</sup>) day or later will be considered delinquent and will be subject to the provisions of this policy. (If the fifteenth day of the month falls on a weekend or holiday, it shall be the next working day.) Payments with postmarks dated the fifteenth (15<sup>th</sup>) are considered timely payments. The use of an invoice or rent due notice may be used to notify each tenant the amount due each month.

- B. All payments are to be made as follows:

1. In person: payments may be made in cash, check or money order by bringing the payment to the office of the Spokane Indian Housing Authority and receiving a written receipt for each payment.
2. By mail: checks or money orders, made payable to the Spokane Indian Housing Authority, can be mailed to the Housing Authority at P.O. Box 195, Wellpinit, WA 99040.
3. Through payroll deduction: Payments may be made by payroll deduction, with the concurrence of the Housing Authority, by arranging with an employer to have the amount deducted from earnings and paid directly to the Authority. The tenant or homebuyer must arrange for the employer to mail such payments at least once each month. An employer may also mail payments on a biweekly basis. The tenant or homebuyer is responsible for informing his or her employer in writing of any change in the amount of the payroll deduction to be sent to the Housing Authority.

**C. Non-Sufficient Fund Checks**

A fee of \$15.00 will be charged for non-sufficient fund (NSF) checks. If the Authority receives two (2) NSF checks within 12 months, the tenant or Homebuyer will be required to pay monthly payments with cash or money orders for a period of one year. If a NSF check is received, a late fee is charged if sufficient funds are not received by the fifteenth (15<sup>th</sup>) of the month that the rent is due..

**D. Payment Agreements**

1. The Authority may agree to enter into a payment agreement with a tenant or homebuyer who has experienced unusual and/or unforeseen financial problems. The payment agreement will allow the tenant or homebuyer to pay the amount for which they are delinquent over a reasonable period of time. However, all late fees shall be satisfied prior to the issuance of the payment agreement. If the tenant or homebuyer abides by the terms of the payment agreement, the Authority will not consider the tenant or homebuyer to be delinquent for those payments which are the subject of the payment agreement.
2. Families with a payment agreement must remain current with both the monthly amount specified under the agreement that goes towards the delinquency, and their regular monthly payments to the Authority. Failure to do so nullifies the payment agreement and makes all amounts owed by the family due and payable immediately, and a Termination Notice will be issued.
3. Monthly payment amounts under a payment agreement will be negotiated but shall be at least \$25.00 over the regular monthly payment.
4. Limit of three (3) payment agreements per year on delinquent accounts, not including maintenance related expenses. Maintenance related expenses will be added to the amount owed, and payment agreement will be adjusted accordingly. Lease Agreements will be terminated if more than three (3) payment agreements are needed, or if the third agreement is not followed.
5. Payment agreements will be adjusted according to changes in payment amount (after recertification or a change in income is submitted by the family) and families must agree to the new payment amount or the payment agreement is nullified.

**V. DELINQUENCIES AND TERMINATIONS**

- A. Payments not received by the Authority by the FIFTEENTH (15<sup>th</sup>) day of the month shall be considered delinquent. Postmarks dated the 15<sup>th</sup> are considered a substitute for receipt.
- B. On the SIXTEENTH (16<sup>th</sup>) day of the month, the Authority shall serve the tenant or homebuyer with a Late Notice.
1. If it becomes necessary for the Authority to issue a Late Notice, a \$50.00 Late Fee will be added to the tenant or homebuyer's account.
  2. The Authority shall serve the Late Notice by delivering the notice personally to the tenant or homebuyer at his or her residence or at any other place where he or she may be found, or, by sending it by certified and regular mail to the tenant or homebuyer at his or her mailing address.
  3. The Late Notice can be in the form of an invoice generated by the Accounting or Tenant Services Departments or in the form of a written letter. The Late Notice shall include or make reference to the following:
    - a) The amount owed to housing.
    - b) A statement that, the tenant or homebuyer has TEN (10) calendar days from the date of Late Notice to remit the required monthly payment and any late fees; request counseling; or make a request for special arrangements such as a payment agreement.
    - c) The statement that, upon the expiration of TEN (10) calendar days from the date of this notice, if he or she has not complied with this notice or with the requirements contained in the Lease or MHOA (or other agreement for occupancy) for making payments, the Housing Authority shall serve the tenant or homebuyer with a Notice of Termination.
- C. A Notice of Termination will be served on the tenant or homebuyer upon the expiration or ten (10) days from the date of the Late Notice.
1. For rental tenants, this notice shall advise the tenant that:
    - a) His or her lease is terminated for nonpayment.

- b) The tenant must vacate the premises within seven (7) days of the expiration of the Notice of Termination.
- c) If the tenant fails to timely vacate the premises, the Authority will seek an order from the respective Tribal Court for eviction.
- d) He or she remains liable for the unpaid rent and must pay all sums remaining due to avoid court action for collection.
- e) If three (3) Notices of Termination are issued over a 12 month period, then the Lease Agreement will be terminated.

2. For Homebuyers, the Notice of Termination shall advise the homebuyer that:

- a) His or her MHOA or HOA is terminated for failure to pay required monthly payments.
- b) If within 30 days after the date of the Notice of Termination, the Homebuyer presents to the Authority evidence that he or she will cure the breach and continue to carry out their MHOA or HOA obligations, the Authority may rescind or extend the Notice of Termination.
- c) In making their response, they may be represented or accompanied by a person of their choice.
- d) If there is no rescission or extension, the lease term and the MHOA or HOA shall terminate on the 30th day after the date of the Notice of Termination.
- e) The homebuyer must vacate the premises within seven (7) days of the Notice of Termination of the MHOA or HOA.
- f) If the homebuyer fails to timely vacate the premises, the Authority will seek and order for eviction from the Tribal Court having jurisdiction.
- g) The homebuyer remains liable for the past due payments and other charges and must pay all sums remaining due to avoid court action for collection.
- h) If three (3) Notices of Termination are issued over a 12 month period, then the Mutual Help Occupancy Agreement or Homebuyer Opportunity Agreement will be terminated.



D. Court Action to Collect Amount Due

1. The Authority shall file a complaint for collection in the Tribal Court for those sums owed by a tenant or homebuyer which remain unpaid when the lease or MHOA is terminated.
2. The Authority will add to the amount due the cost of the court action, including but not limited to filing fees; attorney fees; and other administrative costs to the Authority resulting from the necessity of seeking the court's intervention.

E. Court Action for Eviction

1. All proceedings for Eviction shall comply with the requirements of the respective Tribe's Law and Order Code.
2. The Authority may file an action for Unlawful Detainer and seek an Order of Eviction and a Writ of Restitution to regain possession of the housing unit, or may avail itself of any other lawful proceeding available to accomplish the eviction of persons who do not vacate the Authority housing units as instructed.
3. The Authority may also ask the court to order the tenant or Homebuyer to pay all late payments, unpaid utilities, and any other charges, as appropriate, owed to the Housing Authority, including the fee for filing the complaint in the Tribal Court.
4. A complaint for Eviction in the Tribal Court shall be made under oath, in writing, and shall include the following:
  - a) A statement of the facts and/or charges.
  - b) The name and address of the tenant or homebuyer.
  - c) The Authority project number, unit number, and location of the housing unit occupied by the tenant or homebuyer.
  - d) An attached copy of the Lease or the MHOA or HOA executed between the Authority and the tenant or homebuyer.
  - e) A request to the Court to order the eviction of the tenant or homebuyer, and a clear statement of the reason for the request.
  - f) An attached copy of all Notices served on the tenant or Homebuyer.

- g) A statement, made under oath, relating to any attempts made by the Authority and results of those attempts to collect the payments or to resolve the violation of other terms of the Lease, or MHOA or HOA.

**F. Leaving with a Delinquency**

1. If a tenant or Homebuyer vacates his or her housing unit voluntarily or under an Order for Eviction, he or she will remain liable for the sums owed to the Housing Authority.
2. The tenant or Homebuyer will continue to be responsible for the rent and maintenance of the housing unit until such time as the keys are turned in, or notice is delivered to the Authority that the participant has vacated the unit, or after the expiration of the Notice of Termination.

**G. Use of and Disposition of Damage Deposits/Equity Accounts**

1. The Authority may deduct from a tenant's Damage Deposit or Equity Account any sums due or owed to the housing authority at the time of termination of the lease. The Authority may also use the security deposit or Equity Account to restore the housing unit to a clean condition or to repair items which are damaged as a result of abuse. The damage deposit or Equity Account will not be used to perform maintenance or repairs on items which are damaged as the result of normal wear and tear.
2. If the tenant leaves the housing unit in clean and good condition and the tenant's accounts are fully paid, he or she shall be entitled to a return of the Damage Deposit within thirty (30) days or payment of the Equity Account balance within ninety (90) days of vacating the unit.

Amended and Approved by the Board of Commissioners on May 8, 2000.

  
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Executive Director