

### **XIII - Family Debts to the PPHA (Addendum)**

This chapter describes the PPHA's policies for the recovery of monies, which have been overpaid for families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PPHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support the PPHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

When families owe money to the PPHA, the PPHA will make every effort to collect it. The PPHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Payment agreements
- Collection agencies

On July 25, 2020, the federally authorized eviction moratorium (CARES ACT) expired which escalated the threat of public housing tenants becoming homeless due to their inability to pay rent. On September 4, 2020 the CDC announced an order to stop residential evictions to halt the spread of COVID-19. The order is in effect until December 31, 2020, unless extended. The Parma Public Housing Authority determined that the promotion of housing stability is the most appropriate response for helping low-income households overcome a world-wide pandemic (COVID-19).

This addendum will remain in effect as long as orders are in place to promote housing stability to avoid households from becoming homeless because of non-payment of rent.

#### **A. Waiving of Late Charges for Non-Payment of Rent and Other Charges**

All late fees shall be waived from tenant accounts reflecting non or untimely rent payments as well as other charges (retroactive to March 27, 2020 through July 31, 2020 and effective September 1, 2020 through December 31, 2020).

#### **B. Payment Agreement for Families**

A Payment Agreement as used in this Plan is a document entered into between the PPHA and a person who owes a debt to the PPHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the PPHA upon default of the agreement.

The PPHA will prescribe the terms of the payment agreement, including determining whether to enter into a payment agreement with the family based on the circumstances surrounding the debt to the PPHA. **At no time will PPHA consider any portion of the Security Deposit to be applied to the repayment agreement.**

**PPHA will enter into a payment agreement with any family that is in arrears during the pandemic. PPHA will waive prior circumstances that did not allow for payment agreements. They were:**

- When the amount is less than \$100.00

- The participant has a history of non-payment

The maximum length of time the PPHA will enter into a payment agreement with a family **under pandemic conditions shall not exceed 12 months**. PPHA has adopted the following repayment agreement terms:

Families **who are in arrears in rent and other charges**, who commit program fraud or untimely reporting of increases in income will, at the PPHA's discretion, be offered a repayment agreement with the terms of one-third down and payment in full as described below:

**Amount Owed Down Payment Term of Repayment**

\$0.00-\$1,500.99 1/3 of the Amount Owed **1-6 months**

\$1,501.00 and greater 1/3 of the Amount Owed 6-12 months

If the family's repayment agreement is in arrears and the family has not contacted or made arrangements with the PHA, the PHA **will contact the family and send out a notice before taking further action. The family's file must be documented with the date and time contacted along with a copy of the notice issued. Should the family not respond or not take any action, the PPHA will:**

- Require the family to pay the balance in full
  - Pursue civil collection of the balance due
  - Terminate the Lease Agreement
  - Grant an extension of 10 business days