

Policy on Rent Arrears – 9.13

Queenstown Lakes Community Housing Trust

November 2016

Updated November 2017

Background

QLCHT is both a landlord and a Social Enterprise. As a landlord, it must collect rent to pay for managing and maintaining its homes, and as a Social Enterprise, it will assist where practical with advice to help tenants manage financial and other problems they may face. The Trust recognises that in low income households rent arrears can quickly rise to unmanageable levels, therefore prompt and transparent action to control the debt is essential.

Policy

QLCHT will undertake the following actions to ensure rent arrears are dealt with in a timely and professional manner, consistent with that of a fair and reasonable landlord:

1. Prior to letting a property, QLCHT will:
 - a. Carry out a full financial analysis on the prospective tenant to determine their ability to pay their rent;
 - b. Conduct a credit check;
 - c. Check with the Tenancy Tribunal for previous unpaid arrears;
 - d. Obtain a written reference from most recent landlord, with a phone call to confirm information.

If any of the above reveal a history of credit defaults or rent arrears, QLCHT reserves the right not to offer a tenancy.

2. Every Monday, incoming rent payments are reconciled and an arrears report is run. If a tenant misses a rent payment, or fails to keep to an agreement to reduce arrears, the Client Relationship Officer (CRO) will contact the tenant by phone or email within 24 hours to check they are aware of the issue and ask for it to be remedied immediately.
3. If the rent has still not been received by the second week, the CRO will issue a 14 Day Notice of Arrears, advising the tenant that they have 14 days to pay all the arrears owed in full.
4. If the rent has still not been received by the date advised in the 14 Day Notice or Arrears, the CRO will apply to Tenancy Services under section 56 of Residential Tenancy Act 1986 for Breach of the Tenancy Agreement, (failure to pay rent on time) which will include mediation. The CRO will also advise the Executive Officer and keep them updated.
5. In all cases the CRO will write to the tenant to advise them of the potential consequences of not keeping to their tenancy agreement and advising them to contact the CRO as a matter of urgency. The CRO will also advise the tenant if an application has been made to Tenancy Services.
6. The CRO will also apply for Tenancy Services mediation when tenants with existing agreements to reduce their arrears, fail to keep to their agreement.

7. If the arrangement agreed through mediation is not adhered to, the CRO will lodge a dispute with Tenancy Tribunal.
8. The application to the Tenancy Tribunal Hearing will include either a Possession Order or a Payment Order with Conditional Termination Order which will include an immediate possession clause, to be triggered if the tenant fails to comply with the payment order.
9. All decisions to evict must have the prior agreement of the Executive Officer and Chair, and all Trustees informed of this decision.
10. At all stages of the process, copies of correspondence and communications with the tenant will be retained in the household's electronic file.

The timeframe for the worst case scenario should be:

Week 1	Rent not received	Customer Relationship Officer calls and emails tenant to advise them of failure to pay rent.
Week 2	Rent not received	14 Day Notice to Remedy issued within 2 weeks to tenant.
Week 4	Rent not received as per 14 Day Notice to Remedy	CRO to make Application to Tenancy Services under section 56 of Residential Tenancy Act 1986 for Breach of Tenancy Agreement (failure to pay rent on time) and mediation arranged. Also advises Executive Officer.
Week 4	Mediation is scheduled and tenant does not attend/answer phone.	Application for Tenancy Tribunal Hearing escalated. (Approx. 3-4 weeks).
Weeks 6 - 8	Tenancy Tribunal Hearing	Seek Conditional Termination Order with immediate possession clause (1 week) if tenant fails to keep to payment agreement or Order sought for immediate possession and any arrears owing.
Week 9-10	Possession	Tenancy ended and tenant moved out or issue resolved.