

Repayment Agreement Policy

Cheyenne Housing Authority

Proposed effective date: January 2023

FAMILY DEBTS TO THE PHA OVERVIEW

There are no HUD mandates or other regulatory requirements of the CHA to enter into a repayment agreement with a tenant except for the Multifamily Units. However, the CHA's Board of Commissioners approved this Repayment Agreement Policy to help tenants meet their financial obligations while maintaining responsible tenancy.

This part describes CHA's policies for recovery of monies owed to the PHA by families.

CHA Policy

When an action or inaction of a resident family results in the underpayment of rent or damages to the unit, or any outstanding charges, the CHA holds the family liable to pay all debts owed to the CHA. The CHA may enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayment of housing assistance and/or any other outstanding charges.

When a family refuses to repay monies owed to the CHA, the CHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit

REPAYMENT POLICY Family Debts to the CHA

CHA Policy

Any amount owed to the CHA by a family must be repaid by the family. If the family is unable to repay the debt in full within 15 days (within the regulatory 30-days for Multifamily Units), the CHA may 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, the CHA will terminate housing assistance and/or lease and pursue other modes of collection.

Repayment Agreement

The term *repayment agreement* refers to a formal written document signed by a tenant and provided to the PHA in which a tenant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.



General Repayment Agreement Guidelines for Families

Down Payment Requirement

CHA Policy

Before executing a repayment agreement with a family, the CHA will require an Administrative Fee of 10 percent of the family's total debt owed and a down payment of \$50 or 10 percent of the amount owed, (Including the 10% admin Fee) whichever is greater.

Example: If a family owes a \$100, the breakdown of the above policy would translate into the following:

Family debt = **\$100**

10% Admin Fee = ($\$100 \times 10\%$) = **\$10**

Family Debt and Admin Fee = $\$100 + \10 = **\$110**

The family is also required to pay a down payment of \$50 or 10% of their Total Family debt, whichever is **greater**.

Family Debt and Admin Fee = **\$110**

10% Down payment = ($\$110 \times 10\%$) = **\$11**

Because \$11 is less than the acceptable minimum of \$50, the family in this scenario would pay a \$50 down payment, leaving them with a \$60 balance.

If the family can provide evidence satisfactory to the CHA that a down payment of 10 percent would impose an undue hardship, the CHA may, in its sole discretion, require a lesser percentage or waive the requirement.

Payment Thresholds

CHA Policy

The CHA will not consider a repayment agreement if the family's debt is under a hundred (\$100) dollars. The CHA has established the following thresholds for repayment of debts:

Amounts \$3,000 and above must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.



The minimum payment threshold for any repayment agreement will be \$50 per month.

In the above scenario, if the family would pay another \$50 minimum payment they would be left with a \$10 payment. In order to comply with the Repayment Agreement Policy, the family would have to pay the remaining balance of \$60 in this scenario the month after the down payment because CHA will not take payments under \$50 per month

If a family can provide evidence satisfactory to the CHA that the threshold applicable to the family's debt would impose an undue hardship, the CHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the CHA will consider all relevant information, including the following:

- The amount owed by the family to the CHA
- The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control
- The family's current and potential income and expenses
- The family's current family share
- The family's history of meeting its financial responsibilities

Execution of the Agreement

CHA Policy

Any repayment agreement between the CHA and a family must be signed and dated by the CHA and by the head of household and any other adults 18 or older (if applicable).

Due Dates

CHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments

CHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the CHA, the CHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the CHA will terminate assistance. If a family receives three delinquency notices for unexcused late payments in a 12-month



period, the repayment agreement will be considered in default, and the CHA will terminate assistance and/or Lease.

No Offer of Repayment Agreement

CHA Policy

The CHA generally will not enter into a repayment agreement with a family under any of the following conditions:

- The family is already under an existing repayment agreement with the CHA.
- The CHA determines that the family's debt is a result of program abuse or fraud.
- The family owes a \$100 or less.

Repayment Agreements Involving Improper Payments (HCV, Public Housing and Multifamily programs only)

Repayment agreement involving amounts owed by a family because it underreported or failed to report income shall include:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family must pay to the PHA the monthly payment amount specified in the agreement
- A statement that the terms of the repayment agreement may be renegotiated at the sole discretion of the CHA if the family's income decreases or increases.
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance and/or Lease.

