

16-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. This part describes the PHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

THA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the THA holds the owner or participant liable to return any overpayments to the THA.

Per PIH Notice 2018-18, the THA will enter into Housing Assistance Payment (HAP) repayment agreements in accordance with the policies contained in this part as a means to recover overpayments. THA may enter into a HAP repayment agreement for any debt owed by a former tenant or a tenant of a previously leased unit.

When an owner or participant refuses to repay monies owed to the THA, the THA will utilize other available collection alternatives including, but not limited to, the following:

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

16-IV.B. REPAYMENT POLICY

Owner Debts to the THA

THA Policy

Any amount due to the THA by an owner must be repaid by the owner within 30 days of the THA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the THA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the THA will offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the THA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the THA

THA Policy

Any amount due to the THA by a participant must be repaid by the family. Once a HAP repayment agreement offer is sent, the household will have 60 days to either

1. agree to the terms and pay the deposit, or
2. pay the debt in full.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the THA will terminate the assistance upon notification to the family and pursue other modes of collection.

Administrative Plan policies regarding repayment agreements apply only to the repayment of excess subsidy (HAP). Policies governing repayment agreements for unpaid rent and other tenancy-related charges are addressed in THA's Property Management Policies (PMP) manual.

Repayment Agreement [24 CFR 792.103]

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

Repayment Agreement Guidelines

***Downp*Payment Requirement**

THA Policy

Minimum Rent Households: THA customers on minimum rent are not required to issue a downpayment to enter into a repayment agreement but may do so if they choose.

All Other Households: All other THA customers are required to issue a downpayment to enter into a repayment agreement. The downpayment must be what the household qualifies for in terms of minimum rent.

Prior to the execution of a repayment agreement, the owner or family must make a

downpayment. For families, the downpayment can be any amount but must be no less than what the family qualifies for in terms of minimum rent. Generally, minimum rent is \$25 for fixed income (e.g., senior or disabled) households and \$75 for all other households. Families should inquire with staff to find out what minimum rent they qualify for.

For owners, the downpayment must be 10% of the debt owed.

Payment Thresholds

THA Policy

Amounts over \$5,000 must be repaid within 60 months.

Amounts between \$3,000 and \$4,999 must be repaid within 48 months.

Amounts between \$2,000 and \$2,999 must be repaid within 36 months.

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

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

If the court becomes involved, THA will use the amount that is stipulated by the court.

If a family is approved for a hardship, they can request a 6-month hold, which will extend the term of the agreement by 6 months.

The family is required to make these payments, rounded down to the nearest dollar, on or before the dates enumerated in the repayment agreement. Payment amounts are not determined based on income. THA uses HUD-approved MTW authority to set payment thresholds for repayment agreements. In 2013, THA received HUD approval to implement MTW Activity 18, "Elimination of the 40% Rule". This activity authorizes THA to waive the 40% cap on the percentage of income spent on rent.

Execution of the Agreement

THA Policy

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

~~Due Dates~~ On-Time Payments

THA Policy

All payments are due by the close of business on the due date enumerated in the repayment agreement. ~~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.~~

Non-Payment

THA Policy

~~If THA does not receive a payment by the end of the business day on the date the payment is due and THA has not given prior permission to miss the payment due date, THA will send a delinquency notice giving ten (10) business days to make the payment in full. If THA does not receive the payment by the due date of the delinquency notice, the family will then be in violation of the agreement.~~

~~If payment is not received by the end of the business day on the due date, the family will be in violation of the agreement. In addition, if a family receives three (3) delinquency notices for unexcused late payments in a twelve (12) month period, they will be in violation of the agreement.~~ Violation of the agreement ~~may will~~ result in termination of tenancy and/or subsidy (eviction) and/or reporting the delinquency to a credit bureau. Failure to pay as agreed will cause the agreement to become VOID, and any remaining past due balance will become due immediately.

No Offer of Repayment Agreement

THA Policy

The THA will not enter into a repayment agreement if there is already a repayment agreement in place with the family or owner, or the debt is a result of unpaid rent.