

Nunavut Housing Corporation
Collection Policy



ᓄᓇᓂᓴᓯ ᐃᓑᓐᓐᓐᓐᓐᓐᓐᓐ
NUNAVUT HOUSING CORPORATION
LA SOCIÉTÉ D'HABITATION DU NUNAVUT
NUNAVUNMI IGLULIQIYIIRYUAT

Contents

PREAMBLE 1

POLICY STATEMENT 1

SCOPE 1

PRINCIPLES 1

DEFINITIONS 2

ABBREVIATIONS 5

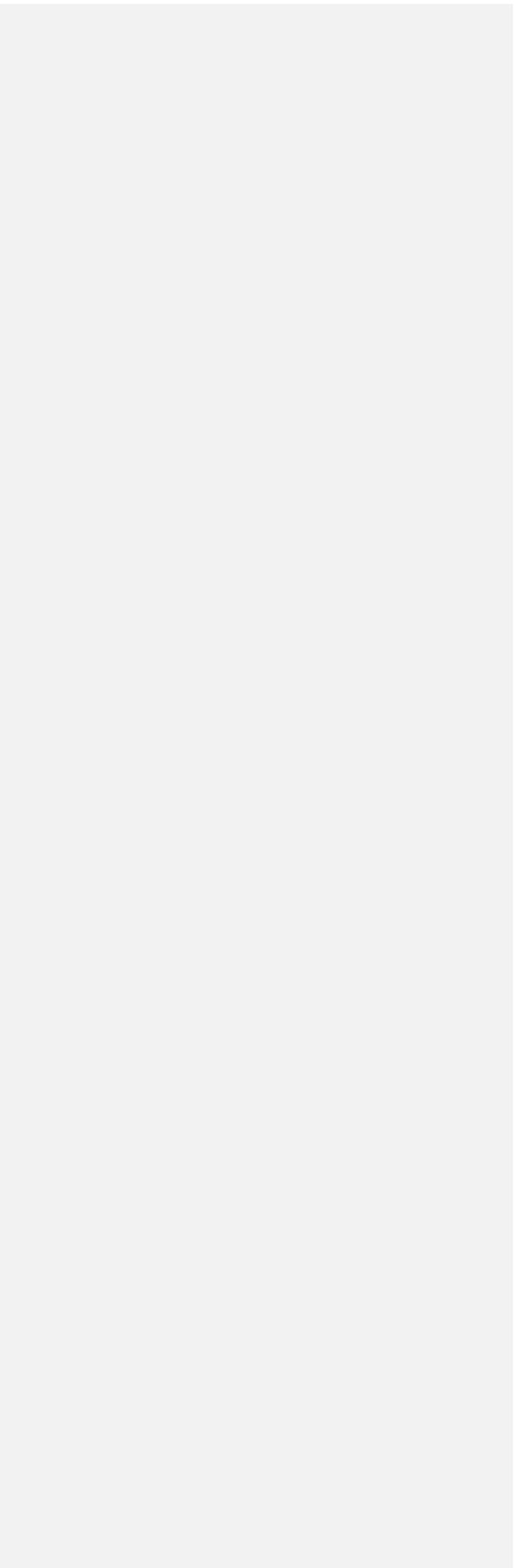
GOVERNING LEGISLATION & AUTHORITY 5

ROLES AND RESPONSIBILITIES 5

PROVISIONS 7

PREROGATIVE OF EXECUTIVE COUNCIL 11

SUNSET 11



PREAMBLE

The Nunavut Housing Corporation (NHC), through the Nunavut Housing Corporation Act, has the authority granted by the Government of Nunavut (GN) to build, purchase, operate, and manage public housing, as well as entering into mortgage agreements with individuals. This authority extends to the collection of public housing rents and arrears and mortgage arrears, as described in this policy.

POLICY STATEMENT

NHC is dedicated to maintaining fair and equitable housing services for all Nunavummiut. This Collection Policy ensures that rental and mortgage arrears are managed and collected in a way that respects the needs of NHC tenants and mortgage holders as well as the operational requirements of the Corporation.

NHC signs agreements with LHOs in 25 communities in Nunavut. The LHO and their staff are responsible for operating and managing NHC's public housing units across Nunavut, including collecting rent and rental arrears. Mortgage arrears for NHC mortgages are managed and collected by NHC Mortgages and Collections Program Manager.

Through early engagement with tenants, LHO staff work with tenants to find positive solutions regarding rental arrears. LHO staff support tenants and make every attempt to ensure that families and individuals remain in their homes.

SCOPE

This policy applies to all current and former tenants of NHC Public Housing and to current and former clients of NHC Homeownership Programs.

PRINCIPLES

The principles of this policy align with Inuit Qaujimajatuqangit. Specifically: Inuuqatigiitsiarniq: Respecting others, relationships and caring for people: NHC will establish protocols and processes that will assist a tenant in the prevention of rental arrears. Tenants and mortgagors with arrears will be guided and engaged at all levels of the arrears collection process.

Ikajuqtigiinniq: working together for a common cause: NHC will provide education programs with specific tools to assist new and current NHC tenants, and current NHC mortgagors to develop repayment plans that respect the individual's circumstances.

Pijitsirniq: serving and providing for family and/or community: All NHC tenants and NHC mortgage holders will be treated with respect, dignity and fairness in all applications in the collection of rental arrears.

In accordance with the Nunavut Protection of Privacy Act, all tenant and mortgage information is kept confidential. Under the authority of the Financial Administration Act, the GN Financial Management Board's Policy Directives are accumulated to form the Financial Administrative Manual (FAM). NHC, as a Public Agency, must adhere to FAM.

Tenants and NHC mortgagors in arrears are assessed on a case-by-case basis regarding efforts to pay their arrears. NHC ensures that repayment efforts and personal circumstances are considered before initiating the public housing eviction process. Any action taken by NHC in the enforcement of a tenant eviction or termination of a rental agreement will be based on the tenant's demonstrated willingness to maintain their obligations.

DEFINITIONS

Abandoning Rental Premises: Occurs when a tenant has abandoned the rental premises and building but the tenancy has not been terminated in accordance with the Residential Tenancies Act. The landlord will use reasonable means to confirm that the tenant is no longer returning to their rental unit.

Arrears: The amount of money that is past-due related to a public housing lease agreement or mortgage.

Canadian Revenue Agency (CRA) Refund Set-Off (RSO): The RSO Program allows the CRA to redirect a tenant or mortgagor's tax refunds and eligible credits toward payment of rental arrears or mortgages (excluding all child benefits). The RSO Program is used only after all reasonable collection actions have been taken. The RSO may only be used if the CRA determines the debtors net-family income is above the low-income threshold.

Forgiveness of Rental Arrears - The approval of the Legislative Assembly to remove rental arrears previously written-off by the Corporation. This will be administered solely by NHC.

Landlord: Includes the owner, or other person permitting occupancy of the rental premises, other than a tenant occupying rental premises. The landlord may enforce any

of the rights of a landlord, including the right to collect rent., under the Residential Tenancy Act, and by a tenancy agreement.

Local Housing Organization (LHO): Local delivery agents of NHC housing programs. LHOs operate under a management agreement with NHC.

Mortgage – A special kind of loan between a lender (mortgagee) and a person or persons, that gives the right to the lender to take back the property if the borrower (mortgagor) fails to repay the loan.

Mortgagee – As the lender of NHC mortgages, NHC is the mortgagee.

Mortgagor – Person or persons holding an NHC mortgage that assists in homeownership in Nunavut.

Nunavut Housing Corporation (NHC): NHC was created in 2000 under the Nunavut Housing Corporation Act. NHC's mandate, as a public agency of the GN, is to create, coordinate and administer housing programs across Nunavut.

Obligation to pay rent: A tenant shall pay the landlord the rent lawfully required by the tenancy agreement on the dates specified by the tenancy agreement.

Obligation to Repair: A landlord shall:

- (a) Provide and maintain the rental premises, the residential complex and all services and facilities provided by the landlord, whether or not included in a written tenancy agreement, in a good state of repair and fit for habitation during the tenancy; and
- (b) Ensure that the rental premises, the residential complex and all services and facilities provided by the landlord comply with all health, safety and maintenance and occupancy standards required by law.

Order of Eviction: In accordance with the Residential Tenancies Act (RTA), the Rental Officer determines that a lease has been terminated. The landlord has the right to evict the tenant on the date specified in the termination order.

Order Terminating Tenancy: A Rental Officer who receives an application for an order to terminate tenancy may determine whether an obligation or rule is reasonable and may order the landlord or tenant to comply.

Payment Agreement/ Repayment Plan: A written negotiated plan between the tenant and the LHO to pay outstanding arrears.

Rent: Includes the amount required to be paid by a tenant to a landlord for the right to occupy rental premises and for any services and facilities, privilege, accommodation or thing that the landlord provides for the tenant in respect to his or her occupancy of the rental premises.

Rental Officer (RO): Means a person appointed under section 72 of the Residential Tenancies Act to carry out duties related to rental arrears and termination of tenancy stated in the RTA.

Services and Facilities Include furniture, appliances and furnishings, parking and related facilities, laundry facilities, elevator facilities, common recreational facilities, garbage facilities and related services, cleaning or maintenance services, storage facilities, intercom systems, cable television facilities, heating facilities or services, air-conditioning facilities, utilities and related services, and security services or facilities.

Public Housing: Are rental premises rented to an individual or family at a reduced rent determined by the income of the tenant. PH is funded by the Government of Canada, the GN or a municipality pursuant to the National Housing Act, or the Nunavut Housing Corporation Act.

Tenancy Agreement (Lease Agreement): Is an agreement between a landlord and a tenant for the right to occupy rental premises, whether written, verbal or implied, including renewals of such an agreement.

Tenant: Is a person who pays rent in return for the right to occupy rental premises plus their families and personal representatives.

Tenant Damages: In adherence to the Residential Tenancies Act, tenant damages are damages to GN assets that are beyond reasonable wear and tear, caused through willful conduct or negligence by the tenant, or persons allowed on the premises by the tenant. Ordinary wear and tear of rental premises does not constitute damage to the premises.

Tenant Relations Officer (TRO): For public housing, a TRO is employed by an LHO and is responsible for engaging with tenants and responding to public housing related questions. The TRO also assists tenants with the housing application process and the rent payment and rental arrears collection process.

Transfer of Ownership to NHC: A signed agreement between NHC and the mortgagor to transfer a property to NHC in exchange for releasing the mortgagor from their debt. NHC ensures the mortgagor will be provided legal counsel prior to the agreement being signed. This option is explored as a last resort.

Write-off of Arrears - The approval of the Corporation to remove a tenant's arrears from the LHO's books. Also refers to mortgage arrears being removed from NHC's records.

ABBREVIATIONS

- CEO – Chief Executive Officer
- CEC - Corporate Executive Committee
- FAA – Financial Administration Act
- FAM – Financial Administration Manual
- LHO – Local Housing Organization
- NHC – Nunavut Housing Corporation
- NHCA – Nunavut Housing Corporation Act
- PH – Public Housing
- RO – Rental Officer
- RTA – Residential Tenancies Act
- SH – Staff Housing
- TRO – Tenant Relations Officer

GOVERNING LEGISLATION & AUTHORITY

- *Canada Revenue Agency Act*
- *Land Titles Act*
- *Limitation of Actions Act*
- *Financial Administration Act*
- *Nunavut Housing Corporation Act*
- *Protection of Privacy Act*
- *Residential Tenancies Act*
- Government of Nunavut Financial Administration Manual
- Local Housing Organization Management Agreements with NHC

ROLES AND RESPONSIBILITIES

The Nunavut Housing Corporation is a corporation that elects a Board of Directors. The Board directs the business of NHC and exercises **overall/final** responsibility for NHC activities. NHC's CEO directs the work of the NHC, and the Corporate Executive Committee is the **decision-making/decision-making** body for NHC.

The NHC operates 3 overarching programs:

1. The Public Housing Program,
2. The Homeownership Program and
3. ~~The Staff Housing Program~~
~~The maintenance and administration of GN owned units in the Staff Housing Program.~~

Under the Residential Tenancies Act, both tenants and landlords of NHC public housing units, have roles and responsibilities that must be met ~~which enable~~ in order for NHC to fulfil its mandate. Responsibilities also extend to homeowners who have NHC mortgages ~~s according to individual mortgage~~ agreements ~~with NHC.~~

While GN Staff Housing is managed and operated by NHC, the collection of rent and arrears for SH is not addressed in this policy. This Collection Policy addresses the collections of NHC Public Housing rental arrears and NHC Mortgage arrears.

LHOs are independent organizations in each of the 25 communities across Nunavut that manage NHC public housing. Each LHO signs an agreement with NHC to deliver housing programs and services. By Through these agreements, LHO staff have key roles and responsibilities regarding rent and mortgage collections.

Tenant: A tenant has an obligation to pay rent to the landlord on the dates specified by the tenancy agreement. A tenant shall pay for repairs to the rental premises and the residential complex that are caused by the willful or negligent conduct of the tenant, or persons permitted on the premises by them.

LHO Tenant Relations Officer (TRO): The TROs are responsible for tenant engagement and education. The TRO conducts the initial contact and notification to tenants who are in rental arrears and assists tenants in developing a plan to address their arrears.

LHO Manager: The LHO Managers are responsible for collecting all tenant rents and identifying any tenant in rental arrears. The LHO Managers is responsible for initiating ~~initiate~~ the rental-tenant ~~arrears~~ collection ~~process~~ for those tenants identified to be in rental arrears. LHO Managers also identify mortgagors with arrears and refer ~~s~~ them to the NHC Mortgages and ~~&~~ Collections Program Manager.

Mortgagor: is responsible for making regular mortgage payments according to the specifications of their mortgage.

NHC District Community Development Officer: The Community Development Officers work with and assist LHO Managers in monitoring case files and collecting tenant rental arrears.

NHC District Programs Manager: The Programs Manager refers all complex tenant rental arrears files within their district to the Rental Officer.

Formatted: Font: Not Bold

NHC District Director: There are 3 District Directors who oversee all NHC activities within their districts including housing construction, maintenance, and rent and mortgage collections.

NHC Mortgages and Collections Program Manager: The Mortgages and Collections Program Manager oversees all mortgage collection activities and rental arrears across Nunavut. This position is a resource for TROs, LHO Managers, District Program Officers and District Program Managers.

Rental Officer: The Rental Officer is a GN employee with the Department of Justice. A Rental Officer may:

- Provide information to landlords and tenants respecting tenancy matters.
- Investigate complaints and mediate disputes between landlord and tenants.
- Investigate contraventions of the Residential Tenancies Act or the regulations.
- Issue notices and orders authorized by the RTA.
- Authorize the termination of a lease.
- Hold hearings and give notice of hearings to the parties involved.

PROVISIONS

The agreements between the NHC and each LHO include processes for the collection of rental arrears and mortgage arrears.

Types of Arrears

- ~~Rental **Payment** Arrears: Occur when tenants **who** have missed the date(s) for rental payment. **have shown no willingness to fulfill their rental obligations and the 60-day engagement period has passed.**~~
- ~~Damages **Arrears: Occur when tenants owe money and have not paid for the costs to repair damage. When tenants have met the threshold of tenant damage. Damages are beyond reasonable wear and tear,** caused through willful conduct or negligence by the tenant, or persons allowed on the premises by the tenant.~~
- ~~Abandonment of Rental Property: **Tenants who have abandoned their rental property and are in rental arrears.**~~

- Mortgage Arrears: Occur when a borrower (mortgagor) fails to pay their mortgage on time, according to the mortgage agreement.

Rental Arrears Process

Rent is due on the first of every month, and if a tenant does not pay on time they are then in rental arrears. Tenants remain in arrears until all payments are made in full.

Every attempt is made to meet with a tenant, during an initial 30-day engagement period commencing on the first day of rental arrears. Each tenant arrears file is reviewed on a case-by-case basis.

A letter is issued to tenants if the initial engagement process is unsuccessful. Tenants have 30 days to respond to the letter before a second notification letter is sent. At any time, a tenant may choose to enter into a repayment agreement.

The second letter will state the requirement for the tenant to pay rent plus arrears. If a tenant is unresponsive after 30 days from the date of the 2nd notification or demonstrates an unwillingness to meet their rental obligations, under the Residential Tenancies Act, an application for an order to terminate the tenancy may be submitted to the Rental Officer.

The Rental Officer will review and make a finding which could lead to the termination of tenancy and eviction. A landlord or tenant affected by an order of a rental officer may appeal the order within 14 days after being served with a copy of the order.

If an eviction is ordered by the RO, NHC still retains the right to collect arrears. LHO Managers may decide to hire a collection agency to collect arrears from tenants who have larger arrears and who also have a greater capacity to pay arrears.

Alternatively, LHO Managers may defer to the GN Department of Finance to initiate a CRA Set-Off process for the evicted tenant who still owes arrears.

Alternatively, theThe Rental Officer may alternatively issue an Order-To-Pay rather than an eviction order. If an Order-To-Pay is issued, the LHO is required to act on the collection within two (2) years of the order. The Limitation of Actions Act (Part 1; Sect 2 (b)) disallows collection if not acted on within that time.

An Order-To-Pay could trigger the garnishment of wages of the tenant through the Nunavut small claims court system if the tenant does not initiate payment of arrears voluntarily with the Order. Further, the CRA Set-Off process may be initiated when all other attempts to collect have been exhausted. The LHO Manager can also opt to hire a collection agency to collect arrears from tenants.

Mortgage Arrears Process

The collection of mortgages and mortgage arrears is coordinated by the Mortgages and Collections Program Manager, the District Mortgage and Lands Officers, and the Community Development Officers in each district.

When a mortgage arrears comes to the attention of the M&C Program Manager, they contact the District Mortgage and Lands Officer of the district in which the homeowner lives. The District M&L Officer then works with their Community Development Officers to develop a payment plan with the homeowner.

Before implementing the arrears collection process, the Mortgages and Collections Program Manager may ~~encourage~~ discuss with the mortgagor ~~to sign an, a signed~~ agreement with NHC ~~that specifies a payment plan or schedule that is amenable to both parties.~~ Finally, The M&C Program Manager may discuss with the mortgagor the option ~~of This agreement transfers the mortgagor's~~ transferring their property to NHC in exchange for releasing the ~~mortgagor them of from~~ their debt. ~~NHC ensures the~~ The mortgagor will be provided legal counsel prior to the agreement being signed.

Other arrears collection actions that may be taken by NHC include:

- ~~Collection agencies~~
- ~~CRA Refund Set-Off Program~~
- ~~Garnishment~~

Uncollectable Accounts

When many uncollectable accounts are included in LHO financial statements and NHC statements, the financial records are distorted. It is important to reconcile uncollectable arrears and to write off these debts.

1. From Rent

Some rental arrears debts may be impossible to collect for a variety of reasons. When LHO Managers and TROs believe a tenant's arrears are eligible for write-off, the LHO Manager should notify the NHC Director of their District, who will then take appropriate actions to begin the write-off process.

Rental arrears are to be written-off by NHC when one of the following situations occurs:

- I. There has been no payment of the arrears within the last six years. This is based on Part 1, Sect.2. (1) (e) & (f); Sect: 6. (1) & (2); and Part 2, Sect. 11 (1) of the *Limitations of Actions Act*.
- I. There has been no written acknowledgement of the debt or partial payment by the tenant within six years. This is based on - the *Limitation of Actions Act, Sections as noted in item 2, above*.
- II. Arrears cannot be proven in a court of law due to:
 - a. Incomplete and unclear records;
 - b. Incomplete personal names and identification records, making it difficult to identify individual tenants.
 - c. Legal advice.

All Write-offs must be consistent with the provisions of the Financial Administration Act, and as codified in the Financial Administration Manual (FAM). FAM provides for the following levels of authority with respect to the write-off process:

- I. Arrears that exceed \$20,000 require the express authority of an Act of the legislature.
- II. Arrears between \$10,000 and \$20,000 can only be written off by the NHC Board, as delegated by The Minister, who has the authority for such write-offs.
- II. Arrears up to \$10,000 may be approved by Motion by the LHO Board of Directors, having been delegated that authority by the Deputy Minister/NHC President, who has that authority for such write-offs.

NHC must first be notified of all proposed write-offs by an LHO and a written approval from NHC is then provided before any amounts can be removed from the LHOs' ledgers.

2. From Mortgages

When large mortgage arrears occur, they may be written-off by NHC when one of the following situations occurs:

- I. The mortgagor is deceased, and there is not enough money left in the estate to recover the arrears through the Public Trustee and/or the Executor of the will of the estate.
- II. There has been no payment of the arrears within the last ten years. This is based on Part 2, Sect.11. (1) (c) of the *Limitation of Actions Act*.

- III. There has been no written acknowledgement of the debt or partial payment by the mortgagor within ten years. (*Limitation of Actions Act above*)
- IV. Arrears cannot be proven in a court of law.

The write-off of a government debt does not extinguish ~~the government's~~ rights to collect. The debt is merely removed from the LHO's active AR ledger. A record of the write-off is maintained by the LHO. If the former client wishes to access government-provided housing at a future date, the debt must first be paid.

Forgiveness of debt may be applied ~~for~~, if the circumstances dictate. A ~~F~~forgiveness removes the government's right to collect the debt at a future date. Debts more than \$1,000 may only be forgiven by express authority of an Act of the legislature.

~~If mortgage holders cannot continue to make regular payments to their mortgage, they can also opt to transfer their NHC mortgage to a family member. As a last resort, they may be able to negotiate NHC taking ownership of the home and claiming the remainder of the mortgage owing.~~

PREROGATIVE OF EXECUTIVE COUNCIL

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or to act regarding arrears or debt collection, outside the provisions of this Policy.

SUNSET

This Policy will be effective from the date of approval until March 31, 2028.

For Questions about this policy contact:

NHC Directorate Office
(T) 867.975.7200 (F) 867.979.4194
P.O. Box 1000, Station 1400, Iqaluit, NU X0A 0H0
www.nunavuthousing.ca

