

Mondragon Co-operative Homes Inc.

By-Law No. 9

A r r e a r s C o n t r o l B y - l a w

Passed by the Board of
Directors on

June 15, 2010

Confirmed by the
members on

September 26, 2010

Arrears Control By-law

1. Purpose of This By-law

This By-law sets out the co-op's rules about

- how members pay their housing charges, and
- how the co-op collects arrears.

2. Priority of this By-law

This By-law takes the place of or amends all previous by-laws or decisions that deal with housing charge payment and arrears collection. The co-op is not required to follow the procedures stated in this by-law before taking proceedings under the *Occupancy By-law* such as issuing a notice to consider eviction, going to court for eviction proceedings or suing for arrears.

3. Payment of Housing Charges

3.1 Housing charges include all amounts that the co-op charges to members in accordance with the Co-operative Corporations Act and the co-op's *Occupancy By-law*.

3.2 Housing charges are due as set out in the co-op's *Occupancy By-law*.

3.3 Payment of housing charges can be made by:

- cheque
- money order, or
- *interac*.

Cash payments will not be accepted. Members who pay by cheque are encouraged to submit post-dated cheques.

- 3.4 Payment of housing charges must be delivered to the co-op office and can be:
- deposited in the co-op office mail box,
 - delivered to the co-op's manager in person, or
 - made by *interac* in the co-op office.

4. Late Payments

- 4.1 Payments not received as set out in the co-op's *Occupancy By-law* will be considered late unless an *Arrears Payment Agreement* has been approved and signed by the Co-op.

Payments will not be considered late if paid by *interac* on the first day of the month. If the first day of the month is a non-business day, payment must be received by the last business day of the previous month."

- 4.2 A *Notice of Late Payment* will be sent by the close of business on the first business day of the month if housing charges are not paid in full as set out in the co-op's *Occupancy By-law* unless an *Arrears Payment Agreement* has been approved and signed by the Co-op.
- 4.3 A \$50 late payment charge will be applied if housing charges are not paid in full as set out in the co-op's *Occupancy By-law* and an *Arrears Payment Agreement* has not been approved and signed by the Co-op
- 4.4 A notice to consider eviction will be sent if housing charges are not paid in full before the fifth day of each month unless an *Arrears Payment Agreement* has been approved and signed by the Co-op.
- 4.5 Late payment of housing charges three times within a year will be considered **chronic late payment**. A notice to consider eviction will be sent if a member has **chronic late payments**.

4.6 Failure to pay late payment charges will be considered non-payment of housing charges.

5. Arrears Payment Agreements

5.1 If a member is unable to pay the housing charges in full as set out in the co-op's *Occupancy By-law* for legitimate reasons of financial hardship, the member must let the manager know before the housing charges are due and enter into an *Arrears Payment Agreement* that sets out how and when the member will pay the arrears.

5.2 The manager has the authority to approve the first request for an *Arrears Payment Agreement* as long as the agreement provides for full payment within 30 days.

5.3 The board of directors must approve an *Arrears Payment Agreement* if:

- more than one request is made within a year, and/or
- full payment will not be made within 30 days.

5.4 Generally, the co-op will not approve more than one *Arrears Payment Agreement* for a member in a year.

5.5 If the member does not make the payments set out in their *Arrears Payment Agreement*:

- a \$50 late payment charge will be applied, and
- a notice to consider eviction will be issued

6. Returned Cheques

6.1 If a cheque for payment of housing charges is returned by the bank or credit union for any reason including NSF (not sufficient funds), funds held, stop payment or account closed, the member must replace it within two days of being notified by the co-op.

6.2 A \$50 returned cheque charge will be applied to the member account for all returned cheques.

- 6.3 A notice to consider eviction will be issued if a returned cheque is not replaced within two days of notification by the co-op.
- 6.4 If two cheques are returned within a twelve month period, the member will be required to pay housing charges by certified cheque or money order or *interac* for a period of one year. Payment in any other form will not be accepted.
- 6.5 Failure to pay returned cheque charges will be considered non-payment of housing charges.

7. Reporting

- 7.1 Each month, the manager will prepare an arrears report for review by the board of directors.
- 7.2 The financial section of the manager's report to the board will include:
- the number of late payments made during the reporting period
 - the number of *Arrears Payment Agreements* the manager approved in accordance with this by-law during the reporting period
 - the number of *Arrears Payment Agreements* that were approved or require approval by the board of directors during the reporting period
 - the number of notices to consider eviction issued during the reporting period to members
 - who had not paid their housing charge in full and had not made arrangements by the fifth day of the month
 - who did not make the payments set out in their *Arrears Payment Agreement*.
 - because they make chronic late payments
 - the number of cheques returned to the co-op marked NSF during the reporting period

- the number of members the manager had to advise during the reporting period to make all future payments by certified cheque, money order or interact because they have had two cheques returned to the co-op marked NSF within a year

8. Members who move out in arrears

8.1 The co-op will take all reasonable steps to collect arrears from members who have moved out of the co-op.

8.2 These steps may include

- sending a registered letter with a summary of the amount owing to the former member's last known address
- placing the account with a collection agency
- informing the municipality's centralized waiting list of the arrears
- legal action through the courts to collect the arrears.

8.2 When a member moves out of a unit in the co-op owing arrears (including any legal costs), until the arrears are paid the former member

- is not eligible to be considered for membership in the co-op
- may not occupy or reside in another unit in the co-op as part of another member's household
- may not stay in any other unit in the co-op as a long-term guest.

CERTIFIED to be a true copy of **By-law No. 9 of Mondragon Co-operative Homes Inc.** passed by the Board of Directors at a meeting held on June 15, 2010 , and confirmed by a two thirds vote at a meeting of members on September 26, 2010.



Secretary

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