



NRH Notice

NUMBER: 04-03A
DATE: May 31, 2004

Mandatory
 For Information



Applicable to:

- Municipal & Private Non Profit
- Co-operatives
- Federal Non-Profits
- OCHAP/CSHP
- Rent Supplement

Subject: Rent/Housing Charge Reimbursement

Policy:

NRH has established a local policy for the reimbursement of rent/housing charges that are a result of calculation errors made by the housing provider. The policy sets a maximum retroactivity period of the last annual income verification date or 12 months, which ever is less. Tenants/members will not be required to repay amounts owing that equate to less than \$10.00 per month.

Background:

In accordance with the *Social Housing Reform Act 2000*, section 86(1) and O.Reg. 298/01, sections 54(1) & (2), if a household pays less geared-to-income rent/housing charge than it should have paid, the service manager may request the household to reimburse the service manager for the excess amount of rent-geared-to-income assistance paid on behalf of the household. The service manager may increase the household's rent-geared-to-income rent/housing charge in order to collect the amount owing. However, the amount of the increase cannot exceed 10% of the geared-to-income rent/housing charge that would otherwise be payable by the household. In Niagara, these activities have been delegated to the housing providers through the signing of a Service Agreement.

There are various circumstances in which housing providers may determine that a household is paying a geared-to-income rent/housing charge at a lower rate than the rate to which the household is entitled. These circumstances can result from:

1. Households who intentionally misrepresent their income;
2. Households who intentionally or unintentionally fail to report changes in income within the prescribed time period; or
3. Provider calculation errors in the household's rent-geared-to-income.

This notice is concerned with the third circumstance only. Misrepresentation of income and failure to report changes in income (Items 1 and 2) are separately addressed in O.Reg. 298/01 and are not included in this policy.

Implementation:

This policy is effective immediately.

Service Manager's Role

NRH will review housing provider compliance with this policy during the operational review process. An assessment of this policy will be conducted in approximately one year to determine its appropriateness and effectiveness. If information dictates that the policy requires changes, recommendations will be made at that time.

Housing Provider's Role

Housing providers are to pursue rent/housing charge reimbursements resulting from calculation errors in accordance with this policy. When a calculation error is discovered that results in money owing to the housing provider, the housing provider must:

- Calculate the correct rent/housing charge;
- Determine the amount owing using the maximum retroactivity period;
- If the amount equates to less than \$10.00 per month,
 - advise the tenant/member in writing of the new rent/housing charge; details of the error and the effective date of the new rent/housing charge (the first day of the second month following the month in which the notice is given (SHRA, s 54(3)));
- If the amount owing equates to more than \$10.00 per month,
 - advise the tenant/member in writing of the new rent/housing charge, details of the error and the amount owing as a result of the error, the effective date of the new rent/housing charge (the first day of the second month following the month in which the notice is given (SHRA, s 54(3))); and,
 - negotiate an acceptable repayment plan with the tenant/member. (The maximum increase to the household's RGI rent/housing charge per month is 10% of rent/housing charge payable by the household just until the amount owing is paid.)

Note: The housing provider may negotiate a larger amount to be paid but only if the tenant/member agrees to do so. An assessment should be done to ensure that this agreed-to-amount to be repaid monthly does not result in economic hardship to the tenant/member.

Any questions or concerns regarding this local policy should be directed to your Housing Administrator. If you have any questions regarding the *Social Housing Reform Act, 2000* go to www.e-laws.gov.on.ca or contact your Housing Administrator.

Lora Beckwith
General Manager