

Repayment Agreement Policy¹

This Repayment Agreement Policy (RAP) covers what is most commonly known as a formal agreement. Formal agreements allow delinquent residents to catch up on balances due in smaller more manageable chunks, thus allowing them to be in good financial standing with the Pike County Housing Authority.

Example

PCHA may go up to 40% of the income used for determining rent to calculate the repayment amount. For example, a resident has a past due balance of \$300.00. They have income in the amount of \$1,000.00 per month. In determining rent, 30% of the \$1,000.00 would be used, making their rent \$300.00 per month. In determining repayment, 40% of the \$1,000.00 would be used, making the maximum the resident could be charged \$400.00. By subtracting the tenant rent of \$300.00 from the maximum of \$400.00, this leaves \$100.00. Therefore, PCHA could request 3 payments of \$100.00 in order to get the residents past due balance paid.

Important

1. An initial down payment of 25% is required to enter into a Repayment Agreement (RA). If the resident can provide evidence that the 25% down payment would impose an undue hardship, then PCHA **may, in its sole discretion**, require a lesser percentage or waive the requirement.
2. Minimum payment required will be the greater of the following two amounts:

The difference between the resident rent and the 40% maximum as described above, or \$25.00.

If the resident can provide evidence that either of the above minimum payments would impose an undue hardship, then PCHA **may, in its sole discretion**, require a lesser monthly payment amount.
3. Repayments are **in addition** to the regular rent amount paid by the resident.
4. Repayments missed **will** incur late fees. Repayments, rents, and other amounts due are due no later than the last working day of the month.
5. Failure to make repayment in accordance with the RAP terms will be considered to be a default of the RAP. If a resident defaults on their RA, no further RA will be allowed, and the default will leave the resident subject to eviction.
6. All defaulted RA will be turned over to appropriate legal and collection methods currently in use by the housing authority.
7. In order to participate in an RA, all previous RA must be paid in full. A resident **may not** make payments strictly to an RA, leaving other amounts due, in order to enter into another RA.
8. It is the Executive Directors discretion to allow or not allow a resident to participate in an RA. Factors to be considered will be payment history, amount due, eviction status, lease violations, etc.

¹ Version 12/3/19