



SARCEE MEADOWS HOUSING CO-OPERATIVE LTD.

HOUSING POLICY

SUBJECT: Arrears Policy

ORIGINAL APPROVAL DATE: January 28, 1987

APPROVED BY: Membership

DATE OF AMENDMENT OR REPLACEMENT: Rescinded and replaced April, 1995. Amended November 2, 2005.

Charges levied by the co-operative against a member may include any or all of the following:

- monthly housing charges - including parking and extra utility charges
- maintenance charges
- fines and penalties
- charge for goods and/or services purchased from the co-operative

Monthly housing charges must be paid on the first day of each and every month. [See bylaw 18.2 (a)]

The member will be notified in writing when other charges are applied to their account. Payment terms for these charges will be spelled out by the co-operative on this notice. In some cases, the co-operative may agree to allow the member to pay for a purchase or charge in monthly installment payments. As long as these payment terms are met by the member, the account will be considered current.

Late payment penalties [LPP] set by the board of directors [See bylaw 18.2 (b)] will apply to any unpaid account. The LPP will be applied to the account on the day which the account is considered late. It is the responsibility of each member to make their payments to the co-operative in a timely fashion to avoid such penalties.

For the purpose of interpretation, any charge applied to a member's account will thereafter be considered to be a "housing charge". [See bylaw definitions 2.9]

When an account is in arrears, the member becomes a "*Member Not In Good Standing*". Any account more than fifteen [15] days past due may be cause for *Termination of Membership with no right of appeal*. [See bylaw 3.11(a).]

This arrears policy is intended to be followed by all parties; however, SMHC members recognize that extenuating circumstances may occur which may warrant special consideration to be given to a member by the co-operative's management. The member is responsible for contacting the General Manager or Financial Services Coordinator **before** the payment is due to apply for special consideration.



SARCEE MEADOWS HOUSING CO-OPERATIVE LTD.

PROCEDURES

SUBJECT: Arrears

APPROVED BY: Board of Directors

ORIGINAL DATE OF APPROVAL: June 23, 1989

DATE OF AMENDMENT OR REPLACEMENT: June 28, 1990, March 23, 1995, May 26, 1999, September 26, 2001, April 24, 2002, June 25, 2003, April 21, 2004, September 2005, June 2009, March 2010, September 2011, November 2011, December 2013, September 2016

As per SMHC bylaws, all housing charges are due and payable on the **FIRST CALENDAR DAY** of each month.

Any monthly housing charge unpaid at the opening of business on the **SECOND CALENDAR DAY** of the month will be considered late.

When the **FIRST** calendar day of each month is **NOT** a normal working day, staff shall accept all payments received in the night depository at the opening of business on the **FIRST WORKING DAY** of the month as having been made on the first calendar day. Any payment received after this time is late and is subject to penalty.

METHOD OF PAYMENT TO SARCEE MEADOWS

Refer also to bylaw 18.2 (a)

In addition to the payment methods outlined in the bylaws; members can authorize SMHC to process an Automatic Withdrawal from the Members bank account. For the purpose of this policy an Automatic Withdrawal will be considered to be a "cheque" and the same provisions apply.

Acceptable methods of payment are cheque, bank draft, automatic withdrawal, signed welfare voucher, debit or money order.

Withdrawals Occur As Follows:

The 1st (first) of the month:

- Housing Charges
- Parking Stall Rental

PROCEDURES FOR HANDLING HOUSING CHARGE ARREARS:

1. **Late payment penalties for housing charge arrears.** If a housing charge payment is received after the first calendar day of the month, the normal late payment penalty will be \$10.00 each calendar day starting on the second day of the month and compounding until the account is paid in full. Whenever a payment is late, arrangements for repayment must be made with the Financial Services Co-ordinator or the General Manager.

2. **Late payment penalty exemptions.** Twice in any financial period, a member may be exempt from normal late payment penalties. For these two times only, the following will apply:
 - if a payment is received on or before the 5th calendar day of the month, no late penalty fees will be charged, or
 - if a payment is received on or after the 6th calendar day of the month the late payment penalty for that month will be a flat rate of \$25.00.
3. **Notice of outstanding account.** On the 6th calendar day of the month, any member with an outstanding account will receive a notice of same. If the member has not made satisfactory arrangements for payment with the General Manager or Financial Services Co-ordinator, the notice will also state that any account more than 15 days overdue may be grounds for termination of membership with no right of appeal.
4. **Board of Directors and housing arrears.** Only the Board of Directors may waive late payment penalties [LPP] once applied. The Board of Directors may also direct (in accordance with SMHC's bylaws) that a termination notice be issued to a member whose monthly housing charge is not paid by the 15th day of the month. A member whose monthly housing charge, or any portion thereof, is in arrears later than the 15th of the month in which the payment was due, will be brought to the attention of the Board of Directors at the next board meeting.
5. **Chronic Late Payments.** Any member who has three late payments, and/or NSF payments (whether arranged or not) in a financial year, will automatically be considered to have a chronic late payment history and will attend the next regular Board of Directors meeting. Chronic late payments may result in termination of membership without appeal to the membership.

CHEQUES NOT HONOURED BY MEMBER(S) FINANCIAL INSTITUTIONS:

1. Cheques which are not honoured by the member(s) financial institution for any reasons will be charged the late payment penalty and First Calgary Financial not honoured cheque charge. The not honoured cheque must be replaced within three working days after the member has received notice from SMHC. When a member replaces the cheque prior to SMHC's knowledge of its return, the late payment penalty will be waived, but the member will still be responsible for any NSF or any other bank charges incurred by SMHC. If written proof from the bank of a bank error is provided member(s) record will not be penalized in any way.
2. After two [2] not honoured cheques in any financial period, the member will be asked to make future payments by certified cheque, bank draft, or money order.
3. When a not honoured cheque is not replaced or arrangement made within the 3 working day time frame, the account will be considered to be in arrears and will be brought to the attention of the Board of Directors at the next board meeting.

MEMBER NOT IN GOOD STANDING:

Any Member in Arrears, who has not made satisfactory arrangements for the repayment of such arrears, will automatically become a "Member Not in Good Standing".

Missing payments and /or failure to remain a Member in Good Standing may terminate the Time Payment Plan. Once the Member becomes a "Member Not in Good Standing" they will receive a

warning to attend the next Member's Meeting or the Member will be required to pay the full amount of the contract. Failure to honor the contract will be dealt under the Arrears Policy.

Exceptions:

When a Member knows that their payment will not be made on time, the Member must contact the General Manager or the Financial Services Co-ordinator to make arrangements for the late payment. Such arrangements must be in writing, [see attached form] and acceptable to the Co operative. If re-payment is not made as per arrangements, the full amount of Late Payment Penalties will apply.

SARCEE MEADOWS HOUSING CO OPERATIVE LTD.

REQUEST FOR LATE PAYMENT OF HOUSING CHARGE

Date: _____, 20_____

I, _____ Member in Unit # _____ hereby request that Sarcee Meadows Housing Co operative Ltd. allow me to make my housing payment for the month of _____, 20_____ late because:

I will make payment in full, plus any penalties, on or before the _____ day of _____, 20_____

_____ [Members Signature]

Repayment as outlined above is recommended to the Board of Directors.

Should payment not be received as outlined then the amount of the late payment penalty will be \$ _____

Other conditions:

General Manager
Sarcee Meadows Housing
Co operative Ltd.

History of previous late payments: [if any] during previous months.