

By-law No. 6

ARREARS BY-LAW

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Article 1: General

- 1.01 The Co-operative (ACo-op@) provides housing for its Member(s) at cost. It is the responsibility of the Member(s) to pay their share of the costs promptly, as charges become due. The housing charges must be approved by a two-thirds majority vote of the Member(s) present at a General Member(s) Meeting.
- 1.02 AArrears@ will refer to any money due to the Co-op not received on the date due. Arrears will include any other charges owing to the Co-op such as parking, late administration charges, interest if applicable, and charges for repairs/damages to units or Co-op property.
- 1.03 AMember(s)@ in this by-law includes all Co-op Member(s) living in a housing unit.
- 1.04 The Co-op=s Arrears Committee will consist of three people appointed by the Board of Directors. When possible, the Committee will consist of the Manager, the Bookkeeper and one Member of the Board of Directors (the ABoard@) to be appointed by the Board.
- 1.05 The Arrears procedures will be amended as needed and will be approved by the Board.

Article 2 – Payment and Charges

- 2.01 Payment of housing and parking charges should be delivered to the Co-op office by the 25th of the month preceding the month to which the charges apply. Cheques should be post-dated to the 1st of the month following. Member(s) are encouraged to leave up to twelve (12) post-dated cheques at a time with the office. All money orders, bank drafts, certified cheques and **pre-authorized debits** are due on the 1st by 9:00 a.m.. All other charges are due on demand. The Co-op cannot accept cash.
- 2.02 Payments will be considered late if not received by 9:00 a.m. on the 1st day of the month. An administration fee will be charged to partial payments and post dated cheques. An administration fee will also be charged for the first late payment and an increased administration fee will be charged for the second late payment in a twelve-month period. If a Member(s) has more than two late payments in any twelve-month period, the Member(s) will be required to meet with the Arrears Committee.
- 2.03 Member(s) may request that the administration fee be waived by submitting a letter to the Arrears Committee outlining the reason for late payment. Such a request will only be considered if the Member(s) has notified the office that the payment will be late in advance of the date it was due.
- 2.04 If a Member(s) cheque to the Co-op is returned for insufficient funds or any other reason the Member(s) will be required to pay an administration fee and replace the cheque **payment** within two banking days.
- 2.05 If a Member(s) cheque to the Co-op is returned more than once in a twelve-month period and the Member(s) is considered by the Arrears Committee to be at fault, the Arrears Committee may require that the member make all subsequent payments to the Co-op by certified cheque or money order.
- 2.06 All administration fees will be set by the Board. The Board will notify the membership of changes in administration fees.

Arrears Procedures

I ARREARS BY-LAW PROVISIONS

The Co-op's Arrears By-Law sets out the basic objectives and rules that Member(s) have established to govern how the Co-op will deal with charges owed by Member(s) to the Co-op. The By-Law takes priority over all resolutions of the Board and simple majority resolutions of the membership regarding Arrears.

II ROLE OF ARREARS COMMITTEE

1. The Arrears Committee as appointed by the Board of Directors will deal with Arrears cases as outlined in this By-Law. Any two members of the Arrears Committee may act on behalf of the committee.
2. The Arrears Committee will endeavour to meet with Member(s) in Arrears within the first 10 days of the month.
3. The Arrears Committee is authorized to enter into a Payment Agreement with the Member(s).

III ROLE OF STAFF

1. Reminders will be sent by the Office staff to Member(s) in Arrears on the second banking day of each month (or closest banking day allowing for holidays etc.) advising them of the amount of the Arrears, including any administration fees and other charges owing, and will remind Member(s) that payment is due within two (2) banking days of the date of the notice. This notice is attached as Schedule 1 to the By-Law.
2. On the fifth day of the month, (or the first banking day thereafter), the office staff will send a notice to all Member(s) still in Arrears advising them that they must appear at the next meeting of the Arrears Committee to discuss the problem. This notice is attached as Schedule 2 and will remind Member(s) of their right to seek independent legal advice. Member(s) must be willing to reconcile their Arrears situation. If the Member(s) is unable to attend this meeting they may:
 - 2 a. Pay the account in full; or,
 - 2 b. Send a letter to the Arrears Committee before the meeting to explain why they cannot attend and to set up another meeting.
3. When a member(s)= cheque is returned by the bank for any reason the staff will send a notice to the household as soon as possible advising them of the amount owing including any bank charges and administration fees (This notice is attached as Schedule 1).
4. If payment on a returned cheque is not received within two (2) banking days then the Member(s) will be sent a notice to meet with the Arrears Committee to discuss the problem. (This notice is attached as schedule 2).
5. A Monthly Arrears Report will be prepared by staff and submitted to the regularly scheduled Board Meeting. For the purpose of confidentiality the Arrears Report shall not include names or unit numbers. Member(s) will be referred to by the Case Number assigned on move-in. The names of any Member(s) in Arrears will be revealed, to the Board, only at the time the Member(s) appears before the Board of Directors.

IV PAYMENT AGREEMENTS

1. At the Arrears Committee meeting the Member(s) must either pay the arrears in full or sign a Payment Agreement and provide post-dated cheques. This Payment Agreement is attached as Schedule 3 to this By-Law. If the Arrears Committee and the Member(s) are unable to come to a resolution, the Member(s) may request to meet with the Board of Directors, or the Arrears Committee may refer the Member(s) to the Board of Directors.

1.a **Terms of a Payment Agreement:** The Payment Agreement must be signed by the Member(s) in Arrears outlining the amount and frequency of repayment, by the 15th of the month in which payment was due. Repayment must be a minimum of 10% of the amount owing, and the length of the Payment Agreement must not extend longer than six months.

2. Member(s) who cannot meet the terms of the Payment Agreement must contact the Office to arrange a meeting with the Arrears Committee. A revised Payment Agreement must be signed at that meeting. If the terms of the revised Payment Agreement are not met, the Member(s) will be sent a Notice to Appear (Form 1) at the next regularly scheduled Board Meeting or a special meeting called to address this issue. (This Notice is attached as Schedule 4).
3. If the Member(s) in Arrears is unwilling to pay their Arrears they will be sent a Notice to Appear (Form 1) at the next regularly scheduled Board Meeting.
4. If Member(s) go into Arrears due to a change in family income, the Arrears Committee may recommend that the Member(s) apply for subsidy (if subsidy funds are available) as soon as possible.
5. A Member(s) in Arrears has the right to appeal any decision of the Arrears Committee to the Board and the Membership of Hazelburn Co-op according to the Occupancy Agreement.
6. Member(s) who move out of their unit while still owing the Co-op money must sign a Demand Promissory Note and attach post-dated cheques. (This Demand Promissory Note is attached as Schedule #5).

IV ROLE OF BOARD OF DIRECTORS

1. The Board will review the monthly Arrears Report at its regular Board Meeting. The Board will schedule its meetings to accommodate the Arrears By-Law Procedures.
2. The Board of Directors will be advised of Payment Agreements arranged by the Arrears Committee and Member(s).
3. The Board of Directors will meet with the Member(s) when requested by the Member(s) or Arrears Committee to review any unresolved Arrears.
4. When a Notice to Appear (Form 1) has been issued, The Board of Directors will meet with the Member(s) to consider evicting the Member(s) and ending the Member(s)= membership and occupancy rights.

PASSED BY THE Board of Directors and sealed with the corporate seal of the Co-op this 26th day of March, 2003.

Corporate Secretary

President

Confirmed by a two-thirds majority vote cast at a General Members meeting this 15th day of April, 2003.

Corporate Secretary

President

Ammended by Board of Directors on November 24th, 2010 to include Pre-authorized payments.

Corporate Secretary

President

Schedule 1

ARREARS NOTICE

DATE:

TO:

UNIT:

RE:

Dear Member(s),

According to Item 16 of your Occupancy Agreement with Hazelburn Co-operative Homes of Toronto Inc, you agreed to deliver your housing charge on the twenty-fifth day of each month, in the form of a cheque, a postal money order or a bank money order, dated no later than the first day of the next month. Administration fees are applied as per the arrears policy.

According to our records, your account has an arrears balance of \$ _____ for the following:

- 9 Late payment.** To date we have not received your current housing charge payment. Please note the above amount includes a \$ _____ late administration fee for the 1st late and \$ _____ for the 2nd late in any twelve (12) month period.
- 9 Returned cheque.** Your bank has returned your housing charge cheque to us for the following reason: _____. Please note that the above amount includes a \$ _____ administration fee for the 1st returned cheque. If this is the 2nd returned cheque in any twelve month period, you may be required to pay all future housing charges by certified cheque of money order)
- 9 Incorrect Payment Amount.** The correct amount due is \$ _____ Housing Charge, \$ _____ Parking, \$ _____ Last Month=s Housing Charge Update, \$ _____ Maintenance Deposit, for a total of \$ _____.

9 Other: _____

Please submit your payment to the office by _____ (as per Hazelburn Arrears By-Law # 6). If you have any questions regarding the above, please feel free to call the office or drop a note in the mailbox.

Yours co-operatively,

Lynda Hawley or Shirley Munroe
Manager Bookkeeper
Per the Arrears Committee

Schedule 2

Notice to Meet with the Arrears Committee

DATE:

To: _____

Unit: _____

Re: HAZELBURN ARREARS BY-LAW # 6

Your Arrears Balance of \$ _____.

As of this date _____ you have an outstanding balance on your account.

Your appearance is required at a meeting of the Arrears Committee on

—.

At this meeting we will review your Arrears and help you resolve this outstanding balance by completing a Payment Agreement.

In the alternative, you may pay your Arrears in full prior to the above-noted date.

If you have any questions regarding the above please contact the office.

Also, we would like you to be aware of your rights to seek independent legal advice before you attend this meeting. You may also choose to have legal representation or the Ombudsperson accompany you to this meeting.

Co-operatively,

Lynda Hawley, for
The Arrears Committee

Schedule 3

Payment Agreement

Between:

HAZELBURN CO-OPERATIVE HOMES OF TORONTO INC.
178 JARVIS ST.
TORONTO, ONTARIO
M5B 2K7

(The ACo-operative@)

-AND-

(The AMember(s)@)

As of (insert date) the Member(s) acknowledge their Arrears in the amount of \$ _____ for non payment of their housing charges. The Member(s) also acknowledge the market housing charge due on their unit for _____ is _____ per month.

The Member(s) agree to pay their normal housing charge of \$ _____ per month on the first of the month and an additional \$ _____ per month payable on the 15th of the month until their Arrears balance is paid in full.

The Member(s) acknowledge that they fully understand the terms of this Agreement, enter into it voluntarily, and have had full opportunity to seek independent legal advice in relation to it and by execution of this Agreement certifies that they have either obtained such independent legal advice or hereby waive the right to obtain independent legal advice prior to entering into this agreement.

Dated at Toronto this ___ day of _____, 200_

HAZELBURN CO-OPERATIVE HOMES OF TORONTO INC.

Per:

Arrears Committee Representative

Arrears Committee Representative

Member(s):