



## **Servants Community Housing Limited**

ABN: 86 623 370 034

### **Arrears Management and Hardship Policy**

## PURPOSE

Servants Community Housing is passionate about housing vulnerable individuals with dignity and respect. The Arrears Management and Hardship policy ensures that all residents are supported to have a sustainable tenancy if they are facing financial difficulties.

We are aware that life circumstances can change, and sometimes very suddenly. These changes can impact a resident's ability to make rent payments therefore increasing their stress. We encourage open communication between staff members and residents about any arrears so that residents are well positioned to clear their debts as soon as possible with the help they require.

We are committed to our Arrears Management and Hardship Policy being aligned with the Victorian Charter of Human Rights and Responsibilities.

### Definitions

**Staff Member** - the CEO, Tenancy Manager, House Manager, Operations Manager or Asset Manager

**Arrears** - a debt owed to Servants Community Housing as a result of a resident failing to make the required rent payments, constituting a breach of the Residential Tenancy Agreement

**Hardship** - when unforeseen events occur that fundamentally place a resident's tenancy at risk due to the excessive burden involved

## POLICY

### Arrears

When a resident's rent account goes into arrears, Servants Community Housing recognises that early intervention is crucial in order to protect the resident from further debt. We are committed to providing transparent information and fair processes to support residents in clearing their debts.

The Tenancy Manager closely follows each resident's fortnightly rent payments and if a resident's rent account goes into arrears will visit, phone or email the resident as soon as possible. In order to clear the debt as soon as possible, the

Tenancy Manager will provide a copy of the rent statement for the resident alongside a letter explaining the arrears.

The Tenancy Manager and resident will agree to a payment plan to clear the outstanding rent amount.

If there is no response from the resident and the resident is 14 days behind in his or her rent, then the Tenancy Manager will:

- Send a warning letter or lump sum demand for arrears, and
- Issue a breach notice for unpaid rent
- Offer financial counselling

If the resident is 28 days behind in his or her rent, and has not agreed to a payment plan, then the Tenancy Manager will:

- Issue a Notice to Vacate via registered post

Following a Notice to Vacate, if there is still no response from the resident or they fail to vacate, an application will be sent to the Victorian Civil and Administrative Tribunal (VCAT) for a possession order. Read the Evictions Policy for more details.

## **Hardship**

Servants Community Housing has developed a Hardship Policy to support residents whose circumstances may change or who have additional costs associated with their health, disability or other circumstances that impact on their cost of living.

In such a scenario, residents must inform a staff member of their changed circumstances. The Tenancy Manager and/or CEO together with the resident will meet to create a payment plan together. Residents are encouraged to involve their support worker or advocate in this process, if they would like.

A resident will never be charged less rent than the set rent for their room to meet operational costs. This is to ensure that Servants' houses remain sustainable for all residents. However, payment plans can take into account the consequences of the hardship faced by the resident and allow them to sustain their housing with Servants.

## **Related Policies**

Complaints and Appeals Policy

## **Legislation and Standards**

This policy implements the obligations of Servants under:

- Residential Tenancies Act 1997
- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DFFH](#)
- Performance Standards for Registered Housing Agencies

## **Transparency and Accessibility**

This policy is available on the Servants Community Housing website  
[www.servants.org.au/policies-and-procedures](http://www.servants.org.au/policies-and-procedures)

## **Review**

This policy was written in April, 2019. It was reviewed in February 2022. It is rescheduled for review in April, 2023.