

XXIV. REPAYMENT AGREEMENT

A. ESTABLISHING THE AGREEMENT

1. Repayment Agreements are executed with Housing Choice Voucher families and owners/ landlords who owe the CDC funds.
2. Repayment Agreements with families may be established if the family did not report all of its income and an overpayment of assistance was paid by CDC on behalf of the family.
3. The Housing Choice Voucher office may allow no more than one (1) Repayment Agreement with a total amount owed to CDC of \$1500 or less at one time.
4. Any additional money owed above \$1500 must be paid-in-full before CDC will consider entering into a Repayment Agreement with the family.
5. If CDC enters into a Repayment Agreement with the Family the family will be required to make an initial payment of 20% of the balance owed. The balance owed may not be more than \$1500 in order to enter into a Repayment Agreement.

Example 1:

Family owes CDC	\$1800.
CDC requires family to pay:	<u>\$300</u>
Total Balance Owed:	\$1500 (maximum)
CDC requires 20% down:	<u>\$300</u>
New Balance Owed:	\$1200
Monthly Payments: $\$1200 / 12 =$	\$100

Example 2:

Family owes CDC	\$1200
CDC requires 20% down:	<u>\$240</u>
New Balance Owed:	\$960
Monthly Payments: $\$960 / 12 =$	\$80

6. The Executive Director may approve a Repayment Agreement which deviates from the policies established in this chapter.

B. ENFORCING REPAYMENT AGREEMENTS

1. The Housing Choice Voucher office will set up monthly payments. Payments must be such that the balance owed is paid in full in 12 months from the date the agreement is entered into

2. If the participant is three (3) or more months delinquent on the agreed upon payments the agreement will be in default. If default occurs, all monies owed are due in full, and CDC may terminate assistance. CDC will pursue legal action for the remaining unpaid balance through whatever means necessary including, but not limited to:
 - a. Referral to the District Attorney for prosecution for grand theft under Assembly Bill 2827
 - b. Filing suit in Small Claims Court
 - c. Participants accounts may be written off or referred to collection at the CDC's board's discretion.
 - d. Entering balances owed into the HUD designated system as appropriate.

3. If the family enters into a Repayment Agreement after the execution of the HAP Contract and does not pay, the Housing Choice Voucher office will require the family to bring their Repayment Agreement current prior to issuance of a new voucher to move to another unit.

4. If personal checks are returned for insufficient funds CDC will charge the participant a \$25.00 insufficient funds fee which must be paid within ten (10) calendar days. Only money orders or certified checks will be accepted thereafter.

5. If the family refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the CDC may terminate the family's assistance. HUD does not authorize any PHA sponsored amnesty or debt forgiveness programs.

6. CDC will report adverse information at the conclusion of a families participation into HUD's Enterprise Income Verification (EIV) system including:
 - a. Amount of any balance owed to CDC by the participant and an explanation for the balance owed.
 - b. Whether or not a participant has entered into a repayment agreement.
 - c. Whether or not a participant has defaulted on a repayment agreement.
 - d. Whether or not the CDC has obtained a judgment on the participant.
 - e. Whether or not the participant has filed for bankruptcy
 - f. The negative reason for a participants end of participation or any negative status.

7. All repayment agreements must be in writing, dated, signed by both the family and the CDC, include the total amount owed, amount of lump sum payment made at time of execution, if applicable, and the

monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the Housing Choice Voucher family obligations whereby the tenant is in non-compliance and may be subject to termination of assistance.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the CDC.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of assistance.

C. INELIGIBILITY FOR REPAYMENT AGREEMENTS

1. If failure to report income exceeds three months past the required reporting period, or results in an overpayment of more than \$1500 the family may be ineligible to enter into a Repayment Agreement. CDC may take action to terminate the family's assistance.
2. If a family is currently obligated under a Repayment Agreement and the family fails to report includable income the family's assistance may be terminated.
3. Participant households may not enter into more than two (2) repayment agreements in a three (3) year period (only one at any given time. See XX11. A. 3). CDC will terminate assistance if the household fails to report income a third time in a three year period.
4. If the Housing Choice Voucher office determines that the family committed willful and intentional fraud, the Housing Choice Voucher office may require the family to repay the entire amount in-full or have their assistance terminated. CDC is not obligated to enter into a repayment agreement with any applicant or participant. CDC will review each case to determine whether or not will and intentional fraud was committed. Referral to the appropriate legal entity for criminal or civil prosecution may be taken as well.

D. OWNER/LANDLORD FRAUD AND PROGRAM ABUSE

1. When the Housing Choice Voucher office determines that the owner/landlord has retained Housing Assistance Payments the owner/landlord was not entitled to, the Housing Choice Voucher office may reclaim the Housing Assistance Payment amount from future Housing Assistance Payments owed the owner/landlord.

2. If the future Housing Assistance Payments owed are insufficient to recover the amount to be reclaimed, the additional amount(s) may be referred to collection. One letter will be sent to the landlord requesting payment within thirty (30) days. Failure to repay the amount owing CDC may result in the amount being referred to an outside collection agency.
3. The Housing Choice Voucher office will use Chapter 9 of HUD Guidebook 7420.10G as a guide in dealing with owner/landlord fraud and program abuse, which may include barring the owner/landlord from participating in the Housing Choice Voucher Program.