

REPAYMENT AGREEMENT POLICY

The purpose of the Middleboro Housing Authority's (MHA) rent repayment policy is to establish consistent procedures and guidelines to be applied to each and every tenant with respect to collection of rent, as well as to comply with the Massachusetts Department of Housing and Community Development and United States Department of Housing and Urban Development's Regulations.

Grounds for termination of the lease shall include situations in which the family owes money to the Housing Authority

The MHA may, in its discretion, based on the facts and circumstances of the case, offer the family the opportunity to enter into a repayment agreement.

Factors considered in determining whether a repayment agreement will be offered include, but are not limited to, the following:

- The amount of money owed
- The reason such money is owed and the extent of culpability on the part of family members
- The family's evidence of commitment and ability to make repayment.

Any amount due to the MHA by a household must be repaid. If the family is unable to repay the debt within 30 days, the MHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the MHA will terminate the assistance upon notification to the family and pursue termination of their lease and/or other modes of collection.

The minimum monthly payment amount for any repayment agreement is \$50. The repayment amount is in addition to the household's regular monthly rent to MHA or the landlord. Tenants are required to pay the repayment amount monthly. The regular monthly rent plus the repayment amount shall not exceed 40% of the household's income.

The terms of the repayment agreement may be renegotiated if there is a decrease or increase in the family's income.

Generally, a minimum down payment of 1/3 of the "amount due" must be provided at the time of execution of the repayment agreement. The repayment agreement will not be executed without receipt of the minimum down payment amount. These payments will generally be due and payable in equal installments on or before the first of the month, unless otherwise specified in the repayment agreement. Amounts less than \$500 must be repaid within 6 months. Amounts between \$500 and \$1,000 must be repaid within 12 months. Amounts between \$1,000 and \$2,000 must be repaid within 24 months. Larger amounts due, ie over \$2,000, may require a longer time period of time for repayment agreement.

Late or missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance. In the event of breach of agreement by the family in conventional housing, the MHA shall retain the right to terminate the lease and move forward with a 14 Day Notice to Quit in accordance with the notice and hearing procedures. In event of a breach of agreement by the family with a state or federal voucher, the family will be notified in writing of the termination of the voucher. Termination will be based on the grounds originally available at the time of execution of the Repayment Agreement and on any additional grounds, which have become applicable since the execution of the Agreement.

The MHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family, or the amounts owed by the family exceeds the Federal or State threshold for criminal prosecution.

If the family requests a move to another unit and has a repayment agreement in place, and the repayment agreement is not in arrears:

- The family will only be permitted to move once

If the family requests a move to another unit and is in arrears on a payment agreement:

- The family will be required to pay the balance in full before they can move to another unit, or be terminated from the program

DEBTS DUE TO MISREPRESENTATION/NON-REPORTING OF INCOME

DHCD's and HUD's definition of program fraud and abuse is a single act or pattern of actions that:

- Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of State or Federal program funds in violation of the said program requirements.

Family Error/Late Reporting

Families who owe money to the MHA due to the family's failure to report increases in income shall be required to repay in accordance with the guidelines in the Repayment Agreement.

Program Fraud

Families who owe money to the MHA due to program fraud will be required to repay in accordance with the guidelines in the Repayment Agreement.

GUIDELINES FOR PAYMENT AGREEMENTS

- The Executive Director or his/her appointee must execute the Repayment Agreement between the MHA and the head of household.
- A payment will be considered to be in arrears if it is not received by the close of the fifth business day after the due date.
- The agreement will be considered to be in default when the family is in arrears for 2 payments.
- Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of hardship, and the approval of the Executor Director.

Additional Monies Owed

If the family already has a Payment Agreement in place and incurs an additional debt the MHA will not enter into an additional Repayment Agreement except under compelling circumstances.

Approved: May 14, 2014
Revised: May 18, 2018
Reviewed: March 19, 2025

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REPAYMENT AGREEMENT

DATE

Name
Address
Town

Failure to properly report income earned from _____ through _____ has resulted in a housing assistance payment (HAP) overpayment of \$ _____

Per HUD Handbook 4350.3 Rev-1, Chapter 7, Section 2 and as stated in the Section 8 HCVP Briefing Information you received on _____: If the tenant does not comply with the interim reporting requirements and the Middleborough Housing Authority (MHA) discovers the tenant has failed to report changes as required under #16: *Reporting Changes Between Regularly Scheduled Recertifications* of the lease, the MHA shall initiate an interim recertification. MHA must implement any resulting rent increase retroactive to the first of the month following the date that the action occurred.

To resolve this issue:

- 1) Within 10 calendar days from the date of this notice, you have the right to request a meeting with the MHA to discuss the matter. Persons with disabilities have the right to request reasonable accommodations to participate in the meeting.
- 2) Remit the total amount due within 30 calendar days from the date of this letter. OR
- 3) Remit a minimum of 30% of the current amount due for the repayment (\$ _____) by _____ 2019, along with the fully executed (signed and dated) repayment agreement.

I, _____, agree to reimburse a total of \$ _____ for the housing assistance overpayment created by failure to report all income as required in my lease. I have made an initial payment of \$ _____ on _____ 2019 and will pay \$ per month on the HAP overpayment in addition to my regular monthly tenant rent to the landlord beginning _____ 1, 2019 through _____ 1, 2019.

I understand that failure to remit the monthly repayment amount to Middleborough Housing Authority by the 5th day of the month in which the payment is due constitutes default of the repayment agreement and will result in termination of assistance and/or tenancy.



In consideration of Middleborough Housing Authority (MHA) extending a Repayment for the HAP overpayment made on your behalf, it is necessary that you indicate, by signing this letter of Agreement, and your acceptance of the following conditions:

1. Beginning on the _____ day of _____ 2019, you will remit a monthly payment in the amount of \$ _____ for a period of _____ months
2. The repayment amount is to be paid to MHA monthly by the 5th day of the month
3. On _____ it is agreed that you shall add an additional sum of \$ _____ to your regular payment to MHA for a period of _____ months
4. The debt, if not sooner paid, shall be due and payable on the first day of _____, 20____
5. The repayment amount is in addition to the household's regular monthly rent to the landlord.
6. Late or missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance
7. A payment will be considered to be in default if it is not received by the close of the fifth business day after the due date.
8. If the family refuses to repay the debt, enter into a repayment agreement, or breaches the repayment agreement, the MHA will terminate the assistance.

Accepted and agreed this _____ day of _____, 2019

By: _____
Tenant Tenant

Middleborough Housing Authority _____