

**FERNDALE HOUSING COMMISSION
RENT COLLECTION POLICY**

The Ferndale Housing Commission's (FHC) housing projects have been developed and constructed to provide decent, safe, and sanitary housing for the low-income, elderly, and handicapped citizenry of Ferndale, Michigan.

The cost of operating the project is dependent upon the timely receipt of monthly rents. It is important that everyone realize that this program does not provide free rent to anyone, nor can it house anyone that is chronically delinquent in the payment of rents.

The FHC has an obligation to house the needy in this area, and to maintain the lowest possible rent schedule as permitted by the Department of Housing and Urban Development. Accordingly, we cannot jeopardize this obligation by allowing slow payment or non-payment of rents. Therefore, it is vitally important that the following "Rent Collection Policy" be read carefully to avoid costly and embarrassing situations through failure to comply with the provisions of this policy.

The FHC defines rent as all money owed the FHC including, but not limited to, rent for the unit, work order charges, and excess utility charges incurred by the resident.

Electronic Rent Payments

Effective September 1, 2006, the FHC will implement electronic debits for the collection of all rental payments. Residents in possession of a unit as of this date will have the option of continuing to make rent payments by cash. They will, however, be offered the opportunity to register for the electronic payment method through the Automated Clearing House (ACH). All residents taking possession on or after this date must register for the electronic payment method.

The FHC believes that payments made through the ACH significantly improves efficiency on the part of the FHC staff and will reduce the possibility for errors. Electronic rent payments will provide reduced risk of lost or bounced checks and will reduce processing cost. The following procedures will be followed for electronic rent payments:

1. Rents will be debited from the residents account on the 5th working day of each month. Residents will be responsible for monitoring their bank account balances to ensure there are enough funds to cover their rent. Residents are notified of changes to their current rental rate and any additional charges through a "Notice of Rent Adjustment" and/or invoices sent at the first of each month.

2. Residents will be required to execute an “Electronic Debit Entries” form at the time of registering for the electronic rent payment method. (For new residents this will be accomplished at the time of lease signing). Residents that do not currently have a bank account will be given the information for registering for an account at Comerica Bank. Residents may chose to open an account at the bank of their choice; however, Comerica Bank has agreed to open an account for residents free of charge.
3. If a resident has an authorized court ordered “payee” or “case worker” that monitors their bill payments, that individual will be required to execute an “Electronic Debit Entries” form.
4. If a debit entry is returned for non-sufficient funds, a \$25 late rental payment fee will be assessed to the resident’s account and a \$10 returned item transaction fee will be assessed each time the debit entry is returned. The resident will be issued a 14-Day Notice To Quit for Non Payment of Rent immediately upon notification of non-sufficient funds. The resident must submit a written statement to the FHC that funds are available once the resident establishes the funds are in their account. Upon notification, FHC will attempt to debit the account a second time for the outstanding rent, all late fees and any returned item fees.
5. If a resident has three (3) or more returned debit entries for non-sufficient funds within a 12-month period it will be treated as repeated late rent payments and a Notice to Terminate Tenancy will be issued.
6. If the tenant refuses to vacate in accordance to the Notice to Vacate, the appropriate legal action will be taken and the tenant may be required to pay court costs and attorney fees. This is in addition to the rent due. If the rent and applicable court costs are not paid within ten (10) days after the case has appeared in court, eviction proceedings will commence.
7. When a resident changes banks or opts to have the electronic debit processed from a different account, the resident must provide the FHC with a 30-day advanced notice and execute a new “Electorinc Debit Entries” form.

Personal Payment Method

1. All rents are due and payable on the first day of each month.

2. Tenant may submit payment as late as the fifth (5th) calendar day of the month. If the fifth (5th) day of the month falls on a Saturday, Sunday or holiday, payment may be extended to the next scheduled work day.
3. A **\$25.00** late fee will be levied on all rents (partial and full) received after the fifth (5th) calendar day. Late fees must be paid at the time of rental payment for the month in which it was levied.
4. If the rent is not paid by the 7th of each month, the tenant will be given a 14 day notice to pay the full amount due or vacate the premises and eviction procedures will commence pursuant to State and Local laws.
5. If the tenant refuses to vacate in accordance to the Notice to Vacate, the appropriate legal action will be taken and the tenant may be required to pay court costs and attorney fees. This is in addition to the rent due.
6. If the rent and applicable court costs are not paid within ten (10) days after the case has appeared in court, eviction proceedings will commence.
7. Payment extensions will be granted only in cases of extreme emergency, and depending on the tenant's past paying record. All request for time extensions must be in writing, stating the reason for the request and specifying the date the rent will be paid in full. This request must be received by the Commission office prior to the first day of the month. Verbal requests will NOT be considered. All extensions must be approved by the Executive Director.
8. Absolutely NO CHECKS (personal or otherwise) WILL BE CASHED at the Commission office. In order to minimize the possibility of error and theft, tenants are required to pay rents by personal check or money order. A **\$20.00** bounced check fee will be charged for returned checks. All returned checks will be considered a late rental payment as well. Late fees outlined in paragraph three (3) above will be levied as well as the bounced check fee. **No cash payments will be received after January 1, 1999.**
10. The Commission cannot house any tenant who is consistently late with rental payments. Late rental payments will be considered a "Lease Violation". If a tenant is delinquent with three (3) or more rental payments a "Termination of Tenancy" notice will be issued.