



Nonpayment of Rent Policy

Last revised: December 12, 2023

Why is this policy important?

Home Forward provides affordable housing to people earning low incomes in Multnomah County. Although Home Forward charges rent that is considered “affordable,” households often still struggle to afford their rent. The mission of Home Forward is to create a better community by providing housing stability. While eviction for nonpayment of rent does not align with our mission on an individual household basis, the rent the Home Forward charges and collects is critical to the on-going financial health and operations of our agency. Failure to collect rent generally undermines our ability to continue providing shelter for the more than 15,500 households we serve. We strive to achieve our mission both agency-wide and on an individual household basis.

Who needs to know and understand this policy?

Home Forward Asset Management, Home Forward Property Management, Third Party Property Management, Resident Services Staff, and Home Forward residents.

What is the desired outcome of this policy?

To prevent evictions for non-payment of rent.

Effective Date

8/1/22. Revised 9/20/2022, 11/28/23

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Section 1. DEFINITIONS

Asset Management: Home Forward's Department of Asset Management maintains responsibility for all financial, physical, operational, and regulatory aspects of Home Forward's affordable housing portfolio. The Department oversees the day-to-day operations performed by property management companies they contract with. Asset Managers are individual Home Forward staff who oversee subsets of the affordable housing portfolio, as well as commercial real estate assets owned.

Installment Payment: A monthly payment under the terms of a Repayment Agreement for rent arrears.

Lease Enforcement: For the purposes of this policy, "lease enforcement" refers to giving a tenant a 30 Day Notice of Termination for nonpayment of rent and filing an FED with the court if the Notice is not remedied.

Property Managers: For purposes of this policy, "property managers" are all property managers for Home Forward owned properties, including both Home Forward Property Management and Third Party Property Management.

Rent: For the purposes of this policy, "rent" is defined as it is in ORS 90.100 (37):

"Rent" means any payment to be made to the landlord under the rental agreement, periodic or otherwise, in exchange for the right of a tenant and any permitted pet to occupy a dwelling unit to the exclusion of others and to use the premises. "Rent" does not include security deposits, fees or utility or service charges as described in ORS 90.315 (Utility or service payments) (4) and 90.562 (Utility and service charges).

Rent Arrears: For the purposes of this policy, rent arrears are past due/unpaid rent. Current months' rent becomes rent arrears on the fifth day of the rental period.

Repayment Agreement: For the purposes of this policy, a Repayment Agreement is an out of court document signed by a resident to repay rent arrears or other balances owed. A Repayment Agreement amends and is incorporated into a rental agreement. The failure to pay the repayment amount outlined in a Repayment Agreement is enforceable as a lease violation. For property management that uses YARDI, a Repayment Agreement is called a TPA (Tenant Payment Agreement)

Stipulated Agreement: For the purposes of this policy, a Stipulated Agreement is an in-court agreement made during an FED proceeding to do or not do certain things for the next six months, including the payment of rent arrears or other balances owed. A Stipulated Agreement becomes a court Order and the failure to pay a repayment amount outlined in a Stipulated Agreement is enforced through the filing of a Declaration of Noncompliance in the FED proceeding.

Subsidized tenants: For the purpose of this policy, Home Forward is defining "subsidized tenants" as tenants who have a rental subsidy where their rent is a function of their income and the subsidy is attached to the unit (e.g., project-based voucher, public housing, etc.). This

also includes tenants who both have a tenant-based voucher and live in a Home Forward owned property.

Unsubsidized tenants: For the purpose of this policy, Home Forward is defining “unsubsidized tenant” as a tenant who lives in a below market rent unit without project or tenant-based subsidy (e.g., low-income housing tax credit unit).

Section 2. NONPAYMENT OF RENT POLICY FOR RESIDENTS WITHOUT AN EXISTING REPAYMENT AGREEMENT

Section 2(a). Minimum Threshold for Lease Enforcement and Rent Reminder Policy

Home Forward will not enforce the lease for residents who have rent arrears that are less than \$500.

For residents with rent arrears below this threshold who are not under an existing Repayment Agreement, property management must send a Rent Reminder on the 8th day of the rental period in each month that rent arrears are owed but are less than \$500. A Rent Reminder Notice shall:

- State that the resident remaining stably housed is our priority.
- State the rent arrear balance.
- State that the resident must either pay their balance or enter into a Repayment Agreement.
- State that the resident will be served a Notice of Termination and lease enforcement will be commenced if the rent arrear balance reaches \$500.
- Include a copy of a Repayment Agreement.

Section 2(b). Lease Enforcement and Rent Repayment Reminder Notice Policy

For residents who have rent arrears of \$500 or more, lease enforcement may commence on the eighth day of the rental period. Property managers shall comply with any additional policies that relate to lease enforcement. Property managers shall commence lease enforcement for nonpayment of rent by serving a 30 Day Notice of Termination that shall:

- State that the resident remaining stably housed is our priority.
- State the rent arrear balance.
- State that the resident must either pay their balance or enter into a Repayment Agreement by the date upon which the Notice of Termination expires.
- Include a copy of a draft Repayment Agreement.
- Include a “Free Eviction Defense” flyer for the Portland Housing Bureau’s eviction defense program.

Following service of a 30 Day Notice of Termination, property managers must mail or hand deliver a Rent Repayment Reminder Notice to the resident on or around the 14th day after service of the 30 Day Notice of Termination. The Rent Repayment Reminder Notice shall:

- State that the resident remaining stably housed is our priority.

- State the amount of rent arrears owed by the resident.
- State the date upon which the resident must repay their rent arrears or enter into a Repayment Agreement
- Include a copy of a draft Repayment Agreement.

If the resident fails to pay the rent arrears or enter into a Repayment Agreement by the date the 30 Day Notice of Termination expires, property management shall commence an FED proceeding.

Section 2(c). Repayment Agreement Policy

Section 2(c)(i). Repayment Agreement Offer and Signing

Property managers must provide residents with a draft Repayment Agreement at each of these steps in the lease enforcement process for nonpayment of rent:

- Step 1. Rent Reminder Notice (if rent arrears are under \$500)
- Step 2: 30 Day Notice of Termination (if rent arrears at or above \$500)
- Step 3. Rent Repayment Reminder Notice
- Step 4: FED First Appearance

A signed Repayment Agreement shall be accepted from a resident at any time up until the date and time set for trial in an FED proceeding. Late fees may not be assessed for nonpayment of rent and may not be incorporated into the arrears collected through a Repayment Agreement.

If a Repayment Agreement is signed by the resident after an FED is filed, the FED shall be dismissed and compliance with the Repayment Agreement shall be monitored and enforced by property management. The Repayment Agreement shall not be part of the court record.

Once a Repayment Agreement is signed by a resident, a copy of the Repayment Agreement shall be given to the resident. The property manager is responsible for monitoring and enforcing the Repayment Agreement.

Section 2(c)(ii). Repayment Agreement Terms

All offered and signed repayment agreements must include installment payment amounts between the minimum and maximum amounts lists as follows:

Subsidized Residents:

- Minimum monthly payment amount: \$10
- Maximum monthly payment amount: 10% of income

Unsubsidized Residents:

- Minimum monthly payment amount: \$25
- Maximum monthly payment amount: 10% of monthly rent

All Repayment Agreements shall outline the minimum and maximum installment payment amount and make it clear that the resident may chose the amount within that range.

Residents must be given the choice to select the installment payment amount between the minimum and maximum amounts.

If the installment payment amount is above the minimum amount, the resident may negotiate a revised Repayment Agreement with a lower installment payment amount throughout the duration of the Repayment Agreement. If a 30 Day Notice is pending for nonpayment following the signing of a Repayment Agreement within the prior 12 months, the property manager has the discretion to accept a revised Repayment Agreement with a lower installment payment amount (as low as the minimum) if the new lower installment is paid at the same time the renegotiated Repayment Agreement is executed. Such acceptance shall cure the Notice.

Section 2(c)(iii). Payments Above the Required Monthly Amount

Residents may make a payment that is greater than the required monthly amount stated in their Repayment Agreement at any time. Any additional payments to the outstanding balance owed by the resident will adjust the length of the Repayment Agreement accordingly. Payments above the installment payment amount will not result in a reduction to the installment payment amount or allow a resident to not make monthly payments as agreed to in the Repayment Agreement.

Section 3. NONPAYMENT POLICY FOR RESIDENTS WITH A REPAYMENT AGREEMENT

If a resident is under a Repayment Agreement and fails to pay rent and/or their installment payment, the lease enforcement process will depend on how much time has passed since the Repayment Agreement was last signed. Failure to make an installment payment under a new or renegotiated Repayment Agreement will cause the resident to be in default of the Repayment Agreement and the Lease. Failure to pay rent while under a new or renegotiated Repayment Agreement will cause the resident to be in default of the Lease.

For purposes of renegotiated or revised Repayment Agreements, the date the Repayment Agreement was signed is the date of the last renegotiation and/or revision.

If the Repayment Agreement was last signed **12 months ago or less**:

- The minimum threshold for lease enforcement in Section 2(a) does not apply.
- Lease enforcement may commence with a 30 Day Termination Notice as allowed by landlord/tenant law. Section 2(b) and 2(c) above do not apply.
- If rent is unpaid in addition to the installment payment, lease enforcement shall include both outstanding balances (missed rent payment + missed installment payment). The Notice shall state that the resident must pay that month's rent and/or their installment payment in full by the date the Notice expires.
- The property manager is not required to offer a new Repayment Agreement as outlined in Section 2 during the lease enforcement process.
- The property manager shall enter into a Stipulated Agreement for payment of the total rent arrears (current rent arrears + remaining balance of the outstanding Repayment

Agreement) over six months if agreed upon by the resident.

If the Repayment Agreement was last signed **over 12 months ago**:

- The minimum threshold for lease enforcement in Section 2(a) does not apply.
- Lease enforcement may commence with a 30 Day Termination Notice as outlined in Section 2(b) and 2(c) above, including the offer of a revised Repayment Agreement at each stage of the process.
- If rent is unpaid in addition to the installment payment, lease enforcement shall include both outstanding balances (missed rent payment + missed installment payment). If only the installment payment is unpaid, lease enforcement shall include only that amount. The Notice shall state that the resident must either pay that month's rent and/or their installment payment in full or enter into a revised Repayment Agreement by the date the Notice expires.
- The offered Repayment Agreement shall be a revised Repayment Agreement that includes the total rent arrears (current rent arrears + the remaining balance of the outstanding Repayment Agreement) and shall offer the minimum and maximum monthly repayment amounts as outlined in Section 2(c)(ii).

Appendix A. Policy Application Examples

For policy implementation scenarios, see the Nonpayment of Rent Policy Toolkit.

Repayment Agreement Offer Calculations

Subsidized households: When determining the initial repayment agreement offer, property managers should use the household's income from their most recent income certification to determine their monthly income and will offer subsidized tenants a repayment agreement that includes a monthly payment amount such that their monthly rent and monthly repayment agreement amount does not exceed 40% of their income.

Subsidized Household Example (minimum payment):

- Nonpayment of rent debt owed: \$1,000
- Monthly repayment amount would be: \$10/month
- Length of repayment agreement: 8.3 years
 - $\$1,000/\10 per month = 8.3 years

Subsidized Household Example (maximum payment):

- Nonpayment of rent debt owed: \$5,000
- Household's monthly income: \$2,500
- Maximum monthly repayment amount would be: $\$2,500 \times 0.10 = \250 per month.
- Length of repayment agreement: 1.7 years
 - $\$5,000/\250 per month = 1.7 years

Unsubsidized households: Home Forward will offer unsubsidized tenants a repayment agreement that is based on the household's monthly rent. The monthly repayment amount would be determined by dividing the household's total arrears by 10% of their portion of the monthly rent.

Unsubsidized Household Example (minimum payment):

- Household's monthly rent: \$1,200
- Nonpayment of rent debt owed: \$2,400 in unpaid rent
- Monthly repayment amount: \$25
- Length of repayment agreement: 8 years
 - $\$2,400/\25 per month = 8 years

Unsubsidized Household Example (maximum payment):

- Household's monthly rent: \$1,200
- Nonpayment of rent debt owed: \$2,400 in unpaid rent
- Monthly repayment amount: \$120
 - $\$1,200 \times 0.10 = \120
- Length of repayment agreement: 1.6 years
 - $\$2,400/120$ per month = 1.6 years