

1. Purpose

This purpose of the policy is to:

- Establish a fair and effective debt management policy
- Enhance the financial position of Housing Trust

2. Policy

In accordance with the *Residential Tenancies Act 2010*, any tenant who incurs a debt in their current tenancy with Housing Trust, or incurred a debt in a previous tenancy with Housing Trust, must enter into arrangements with Housing Trust to repay the debt either in full or by payment agreement according to the Debt Recovery Guide as outlined in the Arrears Management Policy.

Housing Trust will manage debts, including arrears (see Arrears Management Policy), tenant charges (see Tenant Charges Policy), and other charges promptly and fairly to:

- Ensure the requirements of each residential tenancy agreement and the *Residential Tenancies Act 2010* are implemented
- Ensure maximum collection of money owed to Housing Trust by tenants and former tenants
- Prevent outstanding tenant debts, including arrears and tenant charges, from escalating to unmanageable levels
- Provide for affordable repayment options for tenants taking into account the size of the debt and a tenant's capacity to repay
- Ensure that tenants are referred to appropriate support services, including financial counselling
- Ensure consistent and fair application business rules in respect of outstanding tenant debts

Where necessary, Housing Trust will use the NSW Administrative and Civil Tribunal (NCAT) to establish payment orders relating to outstanding debts.

3. Communicating with tenants

It is important that all debts (arrears, water charges, tenant damage charges) are addressed proactively and early, so that they do not escalate to unmanageable levels. Housing Trust staff will actively engage with the tenants to negotiate a resolution.

Housing Trust encourages the involvement of social support services and tenant advocates, including tenant legal services, to help resolve issues with tenant debts.

4. Multiple debts

Where a tenant has multiple debts to Housing Trust (rent arrears, damages, water), rent arrears will be prioritised as the most important debt to resolve to sustain the tenancy.

5. Paddy's Place

Tenants at Paddy's place are in either temporary or transitional accommodation. On occasion, a tenant can arrive at Paddy's as a temporary tenant and then become a transitional tenant. If a tenant exits from Paddy's as a temporary tenant the Housing Trust will not attempt to collect any arrears, if

they exist. If the tenant returns, or is transitioned into transitional accommodation at Paddy's any rental debt they incurred as a temporary tenant will require payment. Under circumstances of extreme financial hardship tenants will be required to enter into a payment plan.