
PROPOSED REVISED REPAYMENT AGREEMENT POLICY

The following draft policy is proposed to replace Section 16-III.B (Repayment Policy) of the GDPM ACOP. This policy is designed to reduce burdens on low-income tenants, align with HUD PIH Notice recommended affordability standards, and preserve GDPM's ability to recover amounts owed.

GREATER DAYTON PREMIER MANAGEMENT

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

Chapter 16, Part III — Section 16-III.B

REPAYMENT AGREEMENT POLICY — PROPOSED REVISION

16-III.B-1. Purpose and Scope

It is the policy of Greater Dayton Premier Management (GDPM) to recover amounts owed by current and former residents through fair, accessible, and consistently administered repayment agreements. This policy establishes the terms under which GDPM will enter into written repayment agreements with tenants who owe balances resulting from unpaid rent, program-required retroactive rent adjustments, unreported income, or other authorized charges. This policy is intended to be consistent with HUD regulations, including HUD PIH Notice guidance on repayment agreement affordability, and is designed to promote housing stability for low-income families.

16-III.B-2. Circumstances Under Which Repayment Agreements Are Offered

GDPM may enter into a written repayment agreement with a current tenant under the following circumstances:

- **Financial Hardship:** When a review of information provided by the tenant demonstrates that the tenant is unable, due to serious financial hardship, to pay rent and other charges on a current and timely basis.
- **Retroactive Rent Adjustments:** When retroactive rent increases result from family-caused delays in annual or interim reexamination processing, or from failure to timely report income or household changes.
- **Unreported Income:** When GDPM determines that a tenant failed to report income, resulting in underpayment of rent.
- **Minimum Rent Suspension Repayment:** When HUD requires repayment of suspended minimum rent amounts following a temporary hardship determination, as required under applicable HUD regulations.
- **Delayed-Start Payments:** When a lump-sum receipt is attributed to a prior period and results in retroactive rent liability (e.g., delayed Social Security or SSI payments).

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- **Other Authorized Charges:** Any other amounts owed to GDPM arising under the resident’s lease or applicable program rules.

16-III.B-3. Eligibility for a Repayment Agreement

GDPM will offer a repayment agreement to any eligible current tenant who owes a balance, subject to the following:

- The tenant must be a current resident of a GDPM public housing unit at the time the agreement is executed.
- GDPM ~~will not~~may enter into a repayment agreement when the amount owed meets or exceeds the Federal or State threshold for criminal prosecution. In such cases, GDPM will refer the matter to the appropriate authority in accordance with Section 15-II.D of this ACOP.
- GDPM will not enter into more than one (1) repayment agreement for unreported income with any tenant at the same time.

There is no maximum dollar cap on the balance eligible for a repayment agreement. GDPM will offer a repayment agreement for any balance that can be paid within a reasonable term consistent with the affordability standard in Section 16-III.B-5 below.

16-III.B-4. Down Payment Requirement

Down Payment: Upon execution of the repayment agreement, the tenant shall pay a down payment of ten percent (10%) of the total balance due. This down payment shall be paid within thirty (30) calendar days of the date the repayment agreement is signed. The remaining balance after the down payment shall be the amount subject to the monthly installment schedule described in Section 16-III.B-5.

Example: If a tenant owes \$1,200.00, the required down payment is \$120.00, payable within 30 days of signing. The remaining \$1,080.00 will be repaid in monthly installments.

16-III.B-5. Monthly Payment Amount — Income-Based Affordability Standard

HUD PIH Notice Affordability Standard: The combined amount of the monthly repayment agreement installment and the tenant’s monthly rent shall not exceed forty percent (40%) of the tenant’s monthly adjusted income at the time the agreement is executed.

The monthly repayment installment shall be calculated as follows:

Step 1: Determine the tenant’s monthly adjusted income at the time of execution of the repayment agreement.

Step 2: Calculate forty percent (40%) of the monthly adjusted income.

Step 3: Subtract the tenant's current monthly rent from the result in Step 2. The remainder is the maximum monthly repayment installment.

Step 4: If the remainder is zero or negative (i.e., the tenant's rent already equals or exceeds 40% of monthly adjusted income), GDPM will set the monthly repayment installment at no less than \$1050.00 per month and shall work with the tenant to establish an affordable payment amount. In such cases, GDPM may consider an extended repayment term.

Calculation Example:

Factor	Amount
Monthly Adjusted Income	\$1,500.00
40% of Monthly Adjusted Income	\$600.00
Current Monthly Rent	\$375.00
Maximum Monthly Repayment Installment (Step 3)	\$225.00
Total Balance After 10% Down Payment	\$1,080.00
Repayment Term (Balance ÷ Installment)	4.8 months → 5 months

16-III.B-6. Term of the Repayment Agreement

The term of the repayment agreement shall be determined by dividing the remaining balance (after the 10% down payment) by the monthly installment amount calculated under Section 16-III.B-5. Any fractional month shall be rounded up to the next whole month. There is no fixed maximum term; the term shall be as long as necessary to pay off the balance at the affordable monthly installment amount.

GDPM Policy:

- If the calculated term would exceed sixty (60) months, GDPM shall review the tenant's financial circumstances with the tenant to explore options, which may include a voluntary lump-sum payment to reduce the balance, a grant or subsidy referral, or other alternatives.

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- If the tenant's income increases during the repayment period, GDPM will not automatically increase the installment amount; however, the tenant may voluntarily make larger payments to shorten the term.
 - ~~The term shall be recalculated if a new repayment agreement is required following a default (see Section 16-III.B-9).~~

16-III.B-7. Payment Due Date and Method

- Monthly installment payments are due on the first day of each month and are considered late after the fifth day of the month.
- Payments must be made by the same methods as regular monthly rent payments accepted by GDPM.
- The repayment agreement installment and the regular monthly rent shall be treated as separate obligations, though both are due by the fifth of the month.

16-III.B-8. Execution of the Agreement

- The repayment agreement must be signed by the head of household and, if applicable, the spouse or co-head.
- GDPM shall provide the tenant with a written copy of the executed agreement at signing.
- The agreement shall include: the total balance owed; the down payment amount and due date; the monthly installment amount; the repayment term; the payment due date; the consequences of default; and GDPM's and the tenant's respective rights and obligations under the agreement.

16-III.B-9. Default and Cure

Non-Payment:

- If a monthly payment is not received by the end of business on the fifth day of the month, and prior written approval for a missed or late payment has not been granted by GDPM, GDPM will issue a written delinquency notice giving the tenant fifteen (~~15~~10) calendar days to make the late payment.
- If the payment is not received within the ~~15~~10-day cure period, it will be considered a breach of the repayment agreement, and GDPM may pursue tenancy termination in accordance with Chapter 13 of this ACOP.

Repeated Late Payments:

- If a tenant receives three (3) or more delinquency notices for unexcused late payments within any rolling 12-month period, the repayment agreement will be considered in default. GDPM will notify the tenant in writing and may terminate tenancy in accordance with Chapter 13.

Hardship and Missed Payment Accommodation:

- A tenant who anticipates difficulty making a monthly payment may contact GDPM in writing prior to the payment due date to request a one-time payment deferral. GDPM may, in its discretion, grant a single-month deferral no more than once ~~per~~ ~~per 12-month~~ repayment agreement term period without triggering a delinquency notice. Deferred amounts shall be added to the remaining balance and the repayment term adjusted accordingly.

Acceleration:

- Upon default, GDPM reserves the right to accelerate all remaining payments due under the repayment agreement. The repayment agreement shall contain specific provisions to this effect.

Lease Default:

- Default on the repayment agreement shall also be deemed a default under the tenant's lease, and GDPM shall be entitled to begin enforcement of the lease with respect to such default, including through eviction procedures and all other legal remedies. The repayment agreement shall contain specific provisions to this effect.

16-III.B-10. No Offer of Repayment Agreement

GDPM will not enter into a repayment agreement under the following circumstances:

- The tenant already has an existing repayment agreement for unreported income in force, and the new balance also arises from unreported income.
- ~~• The amounts owed by the tenant meet or exceed the Federal or State threshold for criminal prosecution.~~

16-III.B-11. Admission Consequences for Former Residents

Any former GDPM resident with an outstanding account balance will be denied readmission to any GDPM housing program unless the past-due account is paid in full and all other admission criteria are met. GDPM will advise former residents that a repayment agreement may be available to address outstanding balances as a condition of readmission consideration, subject to the policies in this section.

16-III.B-12. Collection of Unpaid Balances

When a tenant or former tenant refuses to repay amounts owed to GDPM, or when a repayment agreement is in default and tenancy has been terminated, GDPM may pursue one or more of the following collection alternatives:

- Referral to a collection agency (with credit bureau reporting).
- Small claims court.
- Civil lawsuit.

- State income tax set-off program.
- Any other legally authorized collection method.

PART III: SIDE-BY-SIDE POLICY COMPARISON

The table below summarizes the key differences between the current ACOP repayment agreement policy and the proposed revised policy.

Policy Element	Current ACOP Policy	Proposed Revised Policy
Balance Cap	Maximum \$2,500; balances over \$2,500 ineligible	No maximum cap; any balance that can be repaid affordably is eligible
Down Payment	One-third (33%) of outstanding balance, due at signing	Ten percent (10%) of outstanding balance, due within 30 days of signing
Affordability Standard	No income-based cap; \$50/month minimum floor only	Combined rent + installment shall not exceed 40% of monthly adjusted income (HUD PIH Notice standard)
Term	Maximum 24 months, fixed ceiling	Determined by balance ÷ affordable monthly installment; no fixed maximum term
Minimum Payment	\$50.00/month	Based on affordability formula; \$1050.00 \$50.00/month minimum if income-based calculation yields zero or less
< \$100 Balance	Full payment due immediately; no agreement	Repayment agreement available on same terms (no special threshold)
Non-Payment Cure Period	10 business days after delinquency notice	15 10 calendar days after delinquency notice
Hardship Deferral	Not provided	One-time <u>discretionary</u> deferral per 12-month repayment agreement period available upon advance

Policy Element	Current ACOP Policy	Proposed Revised Policy
		written request. <u>Repayment agreement must be less than \$500.</u>
Three-Strike Default	3 late notices in 12 months = default	3 unexcused late notices in 12-month rolling period = default (same standard, clarified)
Concurrent Agreements	No more than one at a time for Asset Management; one for unreported income for general PH	Unified standard: no more than one agreement for unreported income at a time; other agreements may coexist
Signatories	Head of household + spouse/co-head	Head of household + spouse/co-head (same); written copy to tenant added

PART IV: LEGAL AND REGULATORY BASIS

The proposed revised policy is grounded in the following regulatory and guidance authorities:

HUD PIH Notice — Repayment Agreement Affordability Standard

HUD’s published guidance on public housing repayment agreements recommends that the combined monthly repayment installment and monthly rent not exceed 40% of the tenant’s monthly income. The current GDPM ACOP does not incorporate this standard, relying instead on a \$50 minimum floor without reference to tenant income. The proposed policy adopts the HUD-recommended 40% of income standard as the primary affordability test.

24 C.F.R. Part 5 — Public Housing Rent Calculations

Federal regulations governing income and rent calculation for public housing provide the framework for determining tenant rent and adjusted income, which serve as the basis for the affordability calculation in the proposed policy.

24 C.F.R. § 966 — Public Housing Lease and Grievance Procedure

The default and termination provisions of the proposed policy are consistent with GDPM’s existing grievance and lease enforcement procedures under 24 C.F.R. Part 966, including the right to a grievance hearing prior to tenancy termination.

Notice PIH 2005-7 (HA) — Fraud and Program Abuse Recoveries

Housing authorities that enter into a repayment agreement with a family to collect rent owed, initiate litigation, or begin eviction proceedings may retain 100% of program funds recovered. The proposed policy preserves GDPM's authority to pursue all available collection methods.

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