

# Rent Arrears – Important Information

## What happens if I can't pay?

If you are having difficulty paying your rent please speak to us as soon as possible. It's better to tell us about problems sooner rather than later so that we can help you.

## What happens if I get into arrears?

The Income Management Team follows a strict procedure when dealing with rent arrears. If your rent account falls into arrears we will contact you and request the necessary payment from you. If you fail to make an adequate payment following this then you will receive further requests for payment or requests to make a payment plan. We aim to provide every reasonable support and opportunity to help resolve problems. As well as sending you letters, we'll try to contact you by phone and we will also try to visit you to discuss your rent account.

You can also access our free confidential Money Matters service which can provide money and debt advice as well as information on Credit Unions, home contents insurance and setting up a bank account. Contact details for our Money Matters service are included on all rent arrears correspondence and you'll also be provided with details when you sign up for your tenancy. If you do get into financial difficulties, please make use of this service.

## What happens if I can't clear my arrears?

If you don't clear your account or make an agreement to do so, and your arrears are at a certain level, we'll let you know we're planning to send a Notice of Seeking Possession (NSP). A NSP is a notice we send before applying to court to repossess a property.

If you get a Notice Seeking Possession, make sure you [contact us](#) right away to make an agreement to clear your arrears.

If, after serving a NSP your account is not cleared, or you are not maintaining a payment agreement, we will normally apply to court for possession of your home. We will inform you when we are going to do this.

If you have a starter tenancy, the procedure is different. Please [contact us](#) with any questions.

## What happens if I receive a court date?

If possible clear all the arrears, or as much as you can afford to.

We advise you to seek independent legal advice. Before the court date we'll seek an agreement with you as to how the arrears can be cleared. If the Housing Benefit Office is involved, we'll try to contact them for information about your claim.

If you're in debt to us, we will ask the court for a Money Judgment as well as the other orders. This means we can claim arrears if you leave the property. The judgment will reduce your credit rating.

Stay in contact with us and we'll tell you what we'll be asking for before the court hearing. We may apply for:

- **Outright Possession Order (usually for extremely high arrears)**

This is where we ask the judge to make an order for possession to take effect immediately or in 14 or 28 days. Once the time is up, we will apply for a warrant for eviction.

- **Suspended Possession Order**

This is when the judge makes an order that you will agree to reduce the debt by paying your current rent plus an amount off the arrears. This is normally used where you have entered into an agreement with us to reduce the arrears and we think you will keep to the agreement. If you break the arrangements in the order, we may be allowed to apply for a bailiff's warrant to evict you from your home.

- **Adjourned Orders**

These are usually granted where there is some question over housing benefit payments, the arrears are low or if you have reached an agreement with us to reduce the arrears.

In each case we ask the courts to add the court application costs to the order, to be paid off once you have cleared the arrears. Please note: Even if your account is clear at the time of going to court, we'll still ask the court to do this because we will have already incurred this charge.

## **What happens if I receive an eviction date?**

This means we have applied for a warrant for your eviction from the property. This happens when we've applied after an Outright Possession Order or you haven't kept up payments in line with your Postponed Order.

To avoid the eviction, you need to pay all the arrears together with the court costs. If you want to appeal, you must apply to the court to ask for the application for eviction to be set aside. We recommend that you seek independent legal advice.

If you don't clear your arrears or apply to the court to appeal, the eviction will go ahead on the date given. We will and do evict residents for rent arrears. If you are evicted, we recommend that you seek alternative accommodation or go to the local council's homeless persons' unit and say you are homeless.

## **Some effects of having rent arrears**

### **Applying for a transfer**

If you want a transfer, mutual exchange, or to move under a mobility scheme, rent arrears will reduce your chance of success.

### **Getting credit**

If we get a county court judgment against you to recover unpaid rent, the judgment may give you a bad credit rating. This means you will find it extremely difficult to get credit.

### **Getting a mortgage**

If you hope to buy your home through the [HomeBuy](#) scheme or a shared-ownership scheme, the mortgage lender will ask us for a reference. If you have had rent arrears, you will be less likely to get a mortgage to buy your own home.

### **Homelessness**

If you are evicted as a result of rent arrears, local councils may judge you to be 'intentionally homeless'. This would mean you would have no right to an offer of temporary accommodation.