

CHA STATE PUBLIC HOUSING REPAYMENT AGREEMENT POLICY
APPROVED BY CHA BOARD ON DECEMBER 17TH, 2025

1. Purpose

This policy establishes the rules and procedures governing repayment agreements between the Chelsea Housing Authority (CHA) and residents who owe money to the CHA. The goal is to ensure consistent and fair handling of tenants debts while providing reasonable opportunities for residents to repay amounts owed.

2. Requirement to repay

Any amount owed to the CHA must be paid in full. If the family is unable to repay the debt within 30 days, the CHA will offer the family the opportunity to enter into a repayment agreement in accordance with this policy.

3. Refusal to repay or failure to enter into a repayment agreement

If the family:

- refuses to repay the debt,
- does not enter into a repayment agreement, or
- breaches a repayment agreement,

The CHA will terminate the family's tenancy. The CHA will also pursue other modes of collection, including but not limited to:

1. Use of collection agencies
2. Small claims court
3. Civil lawsuit

4. Definition of repayment agreement

A repayment agreement is a formal written document, signed by the tenant and the CHA, in which:

- The tenant acknowledges a specific debt amount owed to the PHA; and
- The tenant agrees to repay the amount due following the schedule of payments at specific time intervals.

5. General repayment guidelines

Down payment requirements:

Before executing a repayment agreement, the CHA will generally require a down payment of 10-25% of the total amount owed.

Hardship exemption:

If the family submits evidence satisfactorily to the CHA that such a payment would impose an undue hardship, the CHA may, at its sole discretion:

- Require a lesser percentage or
- Waive the down payment requirement

6. Payment threshold and monthly payment standards

Affordability threshold

The total monthly amount a family must pay – the family's share of rent plus the monthly repayment amount must not exceed 40% of the household's adjusted monthly income. Forty percent is considered an "affordable" threshold.

The CHA has the discretion to establish thresholds and policies to enforce this requirement.

7. CHA Policy: Minimum monthly payment calculation:

If a family is paying less than 40% of its adjusted income toward rent, the minimum monthly payment amount will be the greater of:

1. The difference between 40% of the family's adjusted monthly income and the TTP at the time the repayment agreement is executed, or
2. \$25.00

Hardship exemption

If the family demonstrates that a \$25.00 monthly payment would impose undue hardship, the CHA may at its discretion, approve a lower monthly payment amount.

Income changes:

If the family's income increases or decreases during the term of the agreement, either the family or the CHA may request an adjustment of the monthly repayment amount.

8. Execution requirements

All repayment agreements must:

- Be in writing
- Be dated

- Include the total amount owed
- State the lump sum/down payment made (if any),
- Specify the monthly repayment amount, and
- Be signed by both the family and the CHA

CHA Policy:

The agreement must be signed by:

- The head of household, and
- The spouse/co-head (if applicable)

9. Due dates

CHA Policy:

Repayment amounts are due by the close of business on the 15th day of each month. If the 15th falls on a day the CHA is closed, payment is due the next business day.

10. Late or missed payments

If a payment is not received by the close of business on the due date and the family has not received prior approval for missed payment:

1. The CHA will issue a delinquency notice, giving the family 10 business days to make the payment.
2. If the payment is not received by the deadline stated in the delinquency notice, the repayment agreement will be considered breached, and the CHA will terminate the tenancy.
3. If a family receives three delinquency notices for unexcused late payments within a 12-month period, the repayment agreement will be considered in default, and the CHA will initiate termination of tenancy.

11. No offer of new repayment agreement

CHA Policy:

The CHA will not offer a repayment agreement if:

- The family already has an existing repayment agreement; or
- The amount owed exceeds Federal or State thresholds for criminal prosecution.

12. Repayment agreements related to unreported income or underreported income

When the amount owed is due to the tenant's failure to report income or providing incomplete/incorrect information, the agreement must include:

1. The family must pay both their monthly rent and the repayment amount
2. The agreement may be renegotiated if the family's income increases or decreases
3. A late or missed payment constitutes default and may result in termination of tenancy.
4. The family is required under the public housing lease to provide true and complete information at every reexamination. Failure to comply may result in termination of tenancy due to the family's action or failure to act.

13. Enforcement and collection

Upon default, refusal to repay, or termination of tenancy, the CHA may pursue legal remedies, including but not limited to:

- Collection agencies
- Small claim court
- Civil actions
- State tax refund interception