

# Explaining Rental Arrears Fact Sheet



This fact sheet provides you with valuable information about rent arrears and what you can do to make sure your rent is paid in line with your Residential Tenancy Agreement.

Hume will send SMS reminders and letters to customers who have rent arrears and ask them to pay what is outstanding.

## Paying Rent in Advance

Regardless of the payment method used, customers are responsible for paying their correct rent on time and must continue paying until the tenancy ends.

Hume can request that customers pay up to 2 weeks in advance, but no more than that.

Hume will not ask for more rent to be paid until all the rent credit has been used.

### Example

- A tenancy agreement begins on 1 November.
- A customer pays 2 weeks rent in advance.
- The 2 weeks rent in advance pays for 1 - 14 November.
- The customer does not have to pay rent again until 15 November.
- On that date, the tenant will need to pay another 2 weeks rent in advance for 15-28 November.

**Handy Tip:** It's important to note that whilst you have a weekly rent charge amount, we calculate the rent charges on your account daily.

## Why did I receive an arrears SMS or letter when I pay my rent on time?

There are several reasons your account may be in arrears including:

### Bank payment with no reference number.

When paying your rent over the counter at a NAB branch or transferring funds electronically to Hume's bank account, you must ensure that your unique Customer Number is used as the reference number. When Hume receives payments without a reference number, we are unable to identify who made the payment and cannot allocate it to the correct rent account.

If you have made a bank payment with no reference number, we will be unable to determine if you have made a payment and will presume that your account is in arrears. You will receive an arrears SMS or letter.

### **Your rent payment is taking a few days to appear in our bank account.**

Rent payments made using online banking may take several days to be deposited to Hume's account. If you pay your rent on the due date, your payment may not appear on Hume's account on the same day.

When you pay your rent with online banking, keep in mind it may take a few days for the deposit to show on Hume's account. Even if you send Hume a copy of your online banking payment receipt, this payment will not be processed until the deposit is in Hume's bank account.

### **Weekends and Public Holidays**

Banks are not open on weekends and public holidays. Online banking payments completed on weekends and public holidays will not be processed by the banks until the next business day. It will take longer than usual before the payment can be seen in Hume's bank account.

### **I pay my rent every fortnight and when I checked my account was paid in advance.**

If you pay your rent fortnightly but are already a few days in arrears when you pay it means you will not pay the full 14 days in advance.

You will fall into arrears towards the end of each fortnight before you make your next payment. You will receive an arrears notice.

**Handy Tip:** To prevent the risk of your payments not being recognised, we recommend that you set up regular rent payments to Hume by Centrepay deduction or by BPAY using your unique BPAY reference number. Just give us a call if you need your BPAY details.

#### **Example**

- Thomas has paid rent up to and including Monday 1 April.
- His next regular payment is not going to be made until Friday 5 April.
- On Thursday 4 April, he will have accrued 3 days rent arrears (2-4 April).
- Thomas pays 2 weeks rent on 5 April which pays the rent for period 2-15 April.
- He is now 11 days in advance and due to pay again on 16 April, but his next scheduled payment is not until Friday 19 April.
- This means on 18 April; he will again be 3 days in arrears.
- To resolve his rent arrears Thomas needs to make a one-off additional payment of 3 days rent.

### **Your payment patterns do not line up with rent review effective dates.**

One of the most common reasons that Hume customers accrue small amounts of rent arrears without realising it, is due to the six-monthly rent review.

Hume completes a rent subsidy review every 6 months. Your rent will usually increase by a few dollars per fortnight. The new rent will always start on a Monday. This means the new increased rent is payable from that Monday.

If you pay by BPAY or HumePAY you must adjust your payment to the new amount from the rent start date on Monday.

If you pay rent by Centrepay Deduction and have provided consent for Hume to vary the deduction we will update your Centrepay Deduction for you, however, Hume's contract with Centrelink will not allow us to increase the deduction amount until on or after the new rent effective date.

This means that if your rent increases on Monday, but your last rent payment was 4 days ago you would have paid 2 weeks of the old rent instead of the required 4 days old rent and 10 days new rent. You will now be in rent arrears and will need to make a one-off payment of the amount that was short paid.

#### Example

- Anna's rent increases from \$400 to \$440 per fortnight on Monday 1 April. This means that \$440 is due on 1 April for rent charges from 1 - 14 April.
  - Anna regularly pays her rent on Thursdays. She last paid on Thursday 28 March and her next payment is due on Thursday 11 April. This is 10 days after the rent change.
  - The correct rent to pay on Thursday 28 March would be:
    - **4 days (from 28/3 to 31/3) at daily rent of \$28.57 = \$114.29**
    - **plus 10 days (from 1/4 to 10/4) at daily rent of \$31.43 = \$314.29**
- TOTAL: \$428.57**

But Anna only paid **\$400** on 28 March so she now has arrears of **\$28.57**.

**To resolve her rent arrears and avoid getting an arrears reminder Anna needs to make a one-off payment of \$28.57.**

#### How to Avoid Arrears Reminders:

Simply pay your rent on time.

Customers often tell us they always pay their rent fortnightly on a Thursday. Which is excellent, and they should.

When we check they might have missed a payment, or changed the date they pay but not made up the difference, or short paid rent after a rent review change.

So, if you can, pay a few days in advance, or even better, a week in advance, this will ensure you never get an arrears reminder.

If you pay by Centrepay Deduction and do not want to worry about the risk of short paying after every rent review, consider paying an extra \$3 - \$5 every fortnight on top of your usual rent and water charges.

This should ensure that you can cover the bi-annual shortfall amount without having to make the one-off payment every 6 months.

If you currently pay by EFT, please consider changing this to BPAY to ensure that your payments are always recognisable and immediately receipted to your account.

## Water Charges

In addition to your weekly rent, you may have to pay for water.

If you have a separate water meter you will receive quarterly water bills.

You have up to 28 days to pay them. But on day 29, Hume can send you a reminder notice.

Keep in mind that when you pay for water, you need to make it clear the money you are paying is for water and not part payment of rent.

The best way to do this is to pay your water bills to ensure we allocate the payment correctly is to pay by BAPY using your water BPAY reference or alternately pay using HumePAY.

**For more information about Rent and Water Arrears and Hume's recovery procedures please refer to our Rent and Water Arrears Factsheet**

## Translation Service

If you need an interpreter to assist with this document, please call the Translating and Interpreting Service (TIS National) for free on **131 450**. Ask them to call Hume Community Housing on **1800 004 300**.

### Assyrian

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TIS National 131 450  
بە مەنە مەنە مەنە  
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### Arabic

إذا كنت بحاجة إلى مترجم فوري للمساعدة في  
فهم هذا المستند، فيرجى الاتصال بخدمة التر  
جمة التحريرية والفورية (TIS National)  
مجاً على 131 450 اطلب منهم الاتصال بـ  
Community Housing Hume  
على 1800 004 300

### Chinese

如果您需要口译员帮助您阅读此文  
档，请拨打免费电话131 450，以联系  
口笔译服务机构 (TIS National)。  
接通后，请翻译员拨打1800 004 300，  
以联系 Hume Community Housing。

### Spanish

Si necesita los servicios de un  
intérprete para este documento,  
llame gratis al Servicio de Traducción  
e Interpretación (TIS National) en el  
número 131 450. Pídale que llamen  
a Hume Community Housing en el  
número 1800 004 300.

### Vietnamese

Nếu bạn cần thông dịch viên để hỗ  
trợ tài liệu này, thì vui lòng gọi cho  
Dịch vụ Biên dịch và Phiên dịch  
(TIS National) miễn phí theo số  
131 450. Yêu cầu họ gọi cho Công  
ty Nhà ở Cộng đồng Hume (Hume  
Community Housing) theo số  
1800 004 300.